

Distracted Antagonists, Wary Partners:

China and India Assess their Security Relations

Murray Scot Tanner
with Kerry B. Dumbaugh and Ian M. Easton

CNA CHINA  STUDIES



CRM D0025816.A1/Final
September 2011

CNA
ANALYSIS & SOLUTIONS

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE SEP 2011		2. REPORT TYPE		3. DATES COVERED 00-00-2011 to 00-00-2011	
4. TITLE AND SUBTITLE Distracted Antagonists, Wary Partners: China and India Assess their Security Relations				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) CNA Analysis & Solutions,China Studies,4825 Mark Center Drive,Alexandria,VA,22311				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 64	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

CNA is a non-profit research and analysis organization comprised of the Center for Naval Analyses (a federally funded research and development center) and the Institute for Public Research.

The CNA China Studies division provides its sponsors, and the public, analyses of China's emerging role in the international order, China's impact in the Asia-Pacific region, important issues in US-China relations, and insights into critical developments within China itself.

Whether focused on Chinese defense and security issues, Beijing's foreign policies, bilateral relations, political developments, economic affairs, or social change, our analysts adhere to the same spirit of non-partisanship, objectivity, and empiricism that is the hallmark of CNA research.

Our program is built upon a foundation of analytic products and hosted events. Our publications take many forms: research monographs, short papers, and briefings, as well as edited book-length studies. Our events include major conferences, guest speakers, seminars, and workshops. All of our products and programs are aimed at providing the insights and context necessary for developing sound plans and policies and for making informed judgments about China.

CNA China Studies enjoys relationships with a wide network of subject matter experts from universities, government, and the private sector, both in the United States and overseas. We particularly value our extensive relationships with counterpart organizations throughout "Greater China", other points across Asia, and beyond.

Dr. Albert S. Willner, Director of the China Security Affairs Group, is available at 703-824-2883 and by email at willner@cna.org. Our Program Coordinator is Ms. Tamara Hemphill, who can be reached at 703-824-2106 and by email at hemphill@cna.org.

Approved for distribution:

September 2011



Albert S. Willner, Ph.D.
Director
China Security Affairs Group
CNA China Studies

This document represents the best opinion of CNA at the time of issue.
It does not necessarily represent the opinion of the Department of the Navy.

Distribution Unlimited. Specific authority: N00014-11-D-0323.

Copies of this document can be obtained through the CNA Document Control and Distribution Section at 703-824-2123.

Copyright © 2011 CNA

This work was created in the performance of Federal Government Contract Number N00014-11-D-0323. Any copyright in this work is subject to the Government's Unlimited Rights license as defined in DFARS 252.227-7013 and/or DFARS 252.227-7014. The reproduction of this work for commercial purposes is strictly prohibited. Nongovernmental users may copy and distribute this document in any medium, either commercially or noncommercially, provided that this copyright notice is reproduced in all copies. Nongovernmental users may not use technical measures to obstruct or control the reading or further copying of the copies they make or distribute. Nongovernmental users may not accept compensation of any manner in exchange for copies. All other rights reserved.

Distracted Antagonists, Wary Partners

China and India Assess their Security Relations

Murray Scot Tanner
with
Kerry B. Dumbaugh and Ian Easton

CNA CHINA  STUDIES

Table of Contents

Maps and Figures	iii
Executive Summary	v
Overview of the India-China Security Relationship	1
Purpose of this Study and Research Methods	3
<i>Data Sources, their Strengths and Limitations</i>	3
<i>Issues Examined in this Study</i>	4
Strategic Tensions	5
China's Ties to Pakistan and their Impact on India-China Relations	9
<i>China's Perspective: Increasing Even-Handedness</i>	9
<i>India's Perspective: No Greater Source of Tension</i>	13
The China-India Border Dispute	18
The Dalai Lama and the Tibetan Community in Exile	24
Economic Relations: from Cooperation to New Source of Tension?	27
Military Buildup and China's Increasing Presence in the IOR	30
<i>Chinese Concerns over India's Military Buildup</i>	31
<i>India's Concerns over China's Military Buildup</i>	34
<i>Chinese Concerns over Indian Ambitions in the IOR</i>	35
<i>Indian Concerns over Chinese Maritime Ambitions in the IOR</i>	37
<i>The "String of Pearls" Issue and Beyond</i>	40
Conclusions and Selected Implications for United States Interests	46

Maps and Figures

Map: India-China-Pakistan Disputed Border, Western Sector.....	15
Map: India-China Disputed Border, Eastern Sector.....	18
Figure 1: Trends in Indian Trade with China, 2000-2009.....	29

Executive Summary

The growing importance of India-China relations to the security of the Asia-Pacific region requires that the United States better understand the forces and trends that shape this relationship.

- This study evaluates the major sources of tension and cooperation between India and China, and analyzes how leading security specialists and policymakers in the two countries see future trends in their relations.

China and India's potential for serious conflict is mitigated by four powerful strategic desires common to both countries:

- Avoiding a major threat on a secondary strategic front
- Maintaining a relatively peaceful environment to permit their governments to focus on economic growth and stability concerns
- Deferring conflict with the other country in the hope that time may favor their long-term strategic position
- Enjoying the benefits of security cooperation on issues of overlapping interests.

Nevertheless, tensions between Beijing and Delhi on five key security issues are at best constant, and, at worst, rising:

- China's close relations with Pakistan remain the greatest source of tension in India-China relations, and whether Pakistan can maintain stability will be a major factor shaping India-China relations in the next decade.
 - China contends that its more balanced approach toward Pakistan and India since 1999 has greatly eased Sino-Indian tensions.
 - But Beijing still desires a strong, stable Pakistan, in order to secure its Muslim west, build bridges to the Muslim world, and maintain leverage against India.
 - For Indian security analysts, China's support for Pakistan is the most politically salient source of animosity toward China.

- Since 1988 India and China have made efforts to stabilize their border dispute, which have somewhat eased a dangerous flashpoint in their relationship.
 - Nevertheless, the failure to resolve border issues remains a significant source of mistrust between the two countries.
 - Security analysts in both India and China believe that the other country is not respecting the status quo and is trying to undermine their country's strategic position.
 - Both sides cite nationalist opinion at home as a key obstacle to a compromise.
- China will almost certainly try to install its own candidate to succeed the Dalai Lama after his death, which will increase tensions with India. But experts on both sides believe that this will not spark a military conflict.
- Chinese and Indian security specialists both fear long-term erosion of their country's strategic position as a result of the other country's buildup of border deployments, conventional capabilities, and strategic forces.
 - Neither country's analysts widely regard the other's military buildup as their deepest concern in the relationship.
 - Chinese military analysts portray India as an increasingly offense-oriented power seeking to dominate the Indian Ocean Region (IOR).
 - Indian security specialists express greatest concern over China's military-logistical buildup along the Sino-Indian border.
- Indian analysts are increasingly concerned about the future presence of the People's Liberation Army Navy (PLAN) in the IOR, and are developing responses.
 - Indian naval analysts regard Chinese navy efforts to improve sustainment, tactical air cover, and basing as critical indicators of Beijing's future intentions toward the IOR.
 - India remains concerned over China's commercial and security engagement of IOR littoral states—the so-called “string of pearls” strategy.
 - Delhi is responding by reinvigorating its own regional engagement—a “necklace of diamonds” strategy.

The trends in relations between Beijing and Delhi—both their tensions and their incentives to restrain them—present the United States with important opportunities and challenges for promoting its security interests in the region. These include how the United States should best undertake the following:

- Assessing the impact of India and China’s competition to attract economic and security partners among the smaller states on each other’s periphery. The United States may need to revisit its diplomatic, economic, and security strategies in the region to most effectively take account of the impact of India and China’s competition
- Assessing the impact of China-India tensions on China’s balance of strategic attention, resources, and force structure between its “main strategic direction” (its eastern coast and Taiwan) and its “secondary strategic direction” (the south and west), including India
- Judiciously and effectively pacing the development of the U.S.-India and U.S.-China bilateral security relationships, taking into account the potential impact on China-India relations, and on the three countries need to cooperate on some security issues in the IOR.

Overview of the India-China Security Relationship

The India-China relationship is likely to be one of the most consequential relationships shaping the future security of the Asia-Pacific region, and a solid understanding of the forces and trends that shape this relationship is essential to U.S. pursuit of its interests in the region. Nevertheless, there may be no bilateral relationship among major Asian powers that elicits a wider range of divergent assessments among Western analysts than the India-China relationship.

Compare, for example, the striking differences in the following assessments of recent India-China relations by three leading American Asia specialists, the first of whom (writing in 2008) sees India-China ties as having settled into a cool but quite stable pattern since the Cold War, the second of whom (in 2011) sees wide-ranging, enormous improvement in the relationship, and the third of whom (also in 2011) detects a dangerous deterioration in these ties.

In general, Sino-Indian relations settled on a path of limited cooperation that appeared likely to continue with no major diversion for at least several more years. The prospects for another military conflict between China and India appeared to be low, and the chance the two rivals would put aside their differences and become close partners also appeared to be low.¹

The often tumultuous Sino-Indian bilateral relationship has improved enormously since at least 2000—characterized by frequent high-level visits by civilian and military leaders; increasing cooperation on bilateral, regional, and international issues (involving the formation of myriad agreements, memorandums, and working groups on issues such as the long-standing border dispute, defense exchanges, and economic cooperation in areas such as energy, agriculture, education, and technology); an annual strategic dialogue; completed or planned joint military exercises...and expanding levels of bilateral trade.²

The past few years have seen a dangerous rise in mutual suspicion between India and China, propelling bilateral relations toward a deep and wide strategic rivalry. This article examines the security issues that

¹ Robert Sutter, *Chinese Foreign Relations* (Rowman and Littlefield, 2008), 302.

² Michael D. Swaine, *America's Challenge: Engaging a Rising China in the Twenty-First Century* (Washington, DC., Carnegie Endowment for International Peace, 2011), 106.

have led to the open breakout of competition between India and China long implicit in their geographical proximity and their great power ambitions in neighboring areas and the Indian Ocean. New Delhi's perspective of Chinese policies that aim at the strategic encirclement of India, as well as Beijing's outlook on India's attempt to limit China's influence in South and Southeast Asia and its power projection into the Indian Ocean, has overridden their formulaic statements of shared interests as partners in strengthening a multipolar world.³

Certainly, no single study can resolve such a wide divergence of views, and in the years ahead United States analysts must continue deepening their research agenda on China-India relations and their implications for United States interests and Asian security. This study contributes to that research agenda by drawing on original interview and documentary analyses by leading Indian and Chinese security specialists who have focused on this key relationship.

This study finds that tensions between Beijing and Delhi on several key strategic, political, and diplomatic issues are at best constant, and at worst rising. Our data do not quite support a conclusion as harsh as Dr. Frankel's that China-India relations are caught in a "dangerous rise in mutual suspicion...propelling bilateral relations toward a deep and wide strategic rivalry."⁴ We find, by contrast, that China and India's potential for serious conflict is mitigated by four powerful strategic desires common to both countries:

- Avoiding a major threat on a secondary strategic front
- Maintaining a relatively peaceful external environment, to permit them to focus on domestic development and stability issues
- Deferring conflict with the other country in the hope that time may favor their long-term strategic position
- Enjoying the benefits of security cooperation on some issues of common or overlapping interests.

³ Francine Frankel, "The Breakout of China-India Strategic Rivalry in Asia and the Indian Ocean," *Journal of International Affairs* (Spring/Summer 2011): 1.

⁴ Ibid.

At the same time, our study finds that present bilateral and regional security trends strongly suggest that China and India risk being pushed toward increasing tension over how to deal with Pakistan's future, the post-Dalai Lama Tibet, and the increasingly militarized border region, and over the increasing security competition in the Indian Ocean Region (IOR). Some of the diplomatic, security, and economic cooperation initiatives and mechanisms advanced by the two countries during the 1990s and 2000s, that some Western scholars see as marking enormous improvement in the relationship, have lost much of their forward momentum, and others have even become modest sources of new tension in their own right, as in the case of military-to-military contacts and economic trade and investment.

Purpose of this Study and Research Methods

The purpose of this study is to analyze and evaluate the major sources of tension and cooperation in the India-China relationship. This report examines how strategic analysts in Beijing and Delhi evaluate their main areas of contention and of shared interests, and how they see the trend-lines in their relationship.

Data Sources, their Strengths and Limitations

As an initial exploration of this topic, this study explores these questions by drawing on a relatively focused pool of data. The most important research source is a collection of interviews and small group discussions with 25 Chinese and Indian analysts and observers of diplomacy, security, and military affairs. Many of these interviews and discussions were conducted by the authors in Beijing and Delhi during the first half of May 2011. Some of these interviewees are current or former government officials, and most are analysts, scholars, or journalists affiliated with leading Indian and Chinese civilian or military think tanks, universities, or media outlets.⁵

In addition to these, the research draws on English- and Chinese-language documentary sources—in particular, writings of Chinese and Indian military and civilian analysts of Sino-Indian security relations, as well as speeches and articles

⁵ To protect the interviewees and encourage frank comments, none of the interviewees are identified by their name or specific professional title. The reader should note that, for these reasons, more than one interviewee is cited in the footnotes by a title such as “senior Chinese think-tank expert on South Asia,” or “senior Indian analyst of China.”

by senior Chinese and Indian security leaders. In order to strengthen the project's conclusions, we focused our Chinese-language research on authoritative PLA encyclopedias and reference volumes, as well as books and journals from top PLA research institutes.⁶

One aim of this research is to gain a better understanding of which issues in the India-China relationship have the broadest political saliency beyond the narrow security policy community in each country. Whenever possible, interviewees were asked not only which issues were more and less potent sources of tension and cooperation between the two governments, but also which issues had the highest profile and greatest impact among the broader Chinese and Indian political elites and among each country's mass populations. Some interviewees, journalists in particular, were selected because of their ability to speak about the salience of China-India issues beyond a policy community.

The interviews with leading security analysts, academics, officials, and journalists are the richest and most original data source in the study. These interviews permitted us to ask senior Indian and Chinese analysts and scholars how they and their countries see India-China relations. But, because it is impossible to say that these interviewees speak authoritatively for their governments, we have been careful in writing up our results so as to treat them not as authoritative expressions of government policy but rather as the views of experienced policy advisors.

Issues Examined in this Study

This study begins with an overview of the major forces that cause tension in India-China relations, and that pressure these countries to contain these tensions. After this, the report largely takes an issue-based approach, looking at five major issues that are the focus of tension between the two countries. These five issues are:

- The Pakistan factor in India-China relations
- The India-China border dispute
- The Dalai Lama and Tibetans in exile

⁶ Some of these top PLA institutes included the Chinese Academy of Military Science (AMS), the Chinese National Defense University (NDU), and the PLA Navy's Naval Research Institute.

- Economic relations
- Military modernization and China's increasing presence in the Indian Ocean Region (IOR)

Before examining these individual issues, we will present an overview of the major sources of tension and cooperation in the China-India relationship.

Strategic Tensions

China and India are enmeshed in a complex security relationship that reinforces the powerful tensions between them, while simultaneously giving each country strong incentives to limit these frictions. Their underlying tensions are fueled by disputes over several issues, including their contested border, China's close relationship with Pakistan, the Tibetan exile community in India, China's and India's respective military buildups, and a nascent Indian Ocean rivalry, each of which will be further analyzed. Beijing and Delhi also regularly express concern that the other is trying to encircle it strategically by pursuing potentially threatening security partnerships with neighboring countries. These sources of tension are heightened by a mutual mistrust that both Chinese and Indian security specialists say transcend the two countries' specific policy issues. At the same time, neither China nor India regards the other country as the direction from which their primary strategic threat emanates. China's primary strategic direction is toward Taiwan and its east-southeast coast. India's primary orientation is toward Pakistan. Both countries, moreover, face daunting domestic security and economic development challenges at home. As a result, both governments have powerful incentives to avoid major tensions on a second front, and both are trying to improve relations where possible.

Although most of this study examines the specific bilateral issues that cause tension in China-India relations, security specialists from both countries contend that their relationship is colored by a mutual mistrust greater than the sum total of these specific disagreements. One Indian security analyst speculated that even if their bilateral issues could be resolved, the overall India-China relationship would still be characterized by fundamental suspicion. This suspicion is shaped by the two countries' sizes, proximity, and ill-defined borders; their troubled history; their conflicting sets of allies and adversaries; their competitive political systems; their ambitions for a bigger role in Asia and the developing world; and their assessments of future trends in their balance of power.

Even with this mutual mistrust, China and India still relate to each other strategically more as “distracted antagonists” than as primary rivals. The sources consulted for this study do not indicate that either country has regarded the other as its primary security threat since the 1950s, not even during their 1962 border war. China’s virtual alliance with Pakistan, and India’s close relations first with the USSR/Russia and later with the United States have persistently caused Beijing and Delhi to see each other as “a friend of my enemy” – a key strategic supporter of the country they regard as their primary security threat. Because Beijing and Delhi each confronts a more threatening strategic competitor or adversary elsewhere, they feel compelled to watch each other warily, but “over their shoulder” rather than face to face.

Experts in both Beijing and Delhi also perceive the other country as engaged in efforts to encircle it strategically by pursuing security partnerships with neighboring countries. Both countries also see recent military buildup by the other on the Sino-Indian border as moves to strengthen its security position.

China’s Strategic Evaluation of India

China’s evaluation of India as a secondary, but important, strategic concern is reflected in what Beijing calls its “primary strategic direction” and its “secondary” or “important” strategic direction. China’s “primary strategic direction” is an official judgment by Party leaders about the principal direction from which China’s most serious security threats and opportunities emanate. Since 1993 China has designated its southeast—including Taiwan and the South China Sea—as its “primary strategic direction,” reflecting its predominant concern about threats involving Taiwan independence, the U.S. military, or China’s rapidly growing southeast coastal regions. China officially designates its west-southwest border regions, including India, as its “important” or “secondary” strategic direction, and notes that countries on its western borders have an increasing impact on a wide array of Beijing’s security interests.⁷

Although most of the Chinese security analysts interviewed for this study initially denied that India was strong enough, wealthy enough, or sufficiently

⁷ On the Chinese concept of the “main strategic direction” see David M. Finkelstein, “China National Security Strategy: An Overview of the ‘Military Strategic Guidelines’” in Andrew Scobell and Roy Kamphausen, eds., *Rightsizing the People’s Liberation Army: Exploring the Contours of China’s Military* (Carlisle, PA: Strategic Studies Institute, U.S. Army War College, 2007), 69-140. See also Xue Litai, “Reflections on China’s Strategic Directions” (*Guanyu Zhongguo zhanlue fangxiang zhi sikao*; 关于中国战略方向之思考), posted November 2009, <http://www.china-review.com/gao.asp?id=23039>, referenced August 4, 2011.

well governed to constitute a serious rival to China, a closer examination of their writings and comments about India reveals a deeper level of concern. As noted below, Chinese analysts regard India's nuclear weapons as a growing source of concern. PLA analysts also portray India as an ambitious, potentially expansionist power, especially in the IOR, and some analysts assert that India is quietly seething for an opportunity to someday avenge its 1962 military defeat by China. They also describe India as very willing to cooperate as a partner or semi-ally of the United States or another potential Chinese adversary, such as Japan, Vietnam, Taiwan, or even Russia. Finally, Chinese analysts express clear concern that India could further exploit its resident Tibetan exile community to exacerbate the already serious ethnic unrest China faces in its Tibetan-populated regions.

India's Strategic Evaluation of China

Indian security analysts likewise regard China as an increasingly powerful security concern, but a secondary one. All of the Indian analysts interviewed for this study concur that Pakistan remains India's chief security obsession, although China's military buildup in their border regions, its growing ties with India's neighbors, and its increasing presence in the Indian Ocean are sources of anxiety for Delhi. These analysts disagree, however, as to whether China should be seen as a distant second to Pakistan, or as a more nearly equal threat. Consequently they also disagree as to how India should develop and deploy its military capabilities to prepare for the two countries; some criticize India's current orientation as excessively focused on Pakistan at the expense of China.⁸ On balance, though, India regards China as a secondary and indirect strategic concern, and one analyst captured Delhi's strategic reasoning in blunt terms: "We already have one Pakistan on our border. We can't afford to have another."⁹

India's long-term strategic anxieties about Chinese power are also fed by great respect for China's rapid growth, as well as a perception that statecraft is easier to pursue in an autocratic state such as China. Indian security specialists often

⁸ For example, one Indian strategic specialist and former government official describe the Indian government's current orientation toward China as "myopic" and lacking "vision" and a "sense of proportion in its threat perception." Why, this specialist wondered, is India so "unconcerned" about its relationship with China? The specialist described India's military as too fixated on its Western orientation toward Pakistan, and argued that India needed to strengthen its orientation toward China and to build up its naval and other assets that would be needed in the event of a confrontation with China. To permit this, India needed to "rationalize" its divisions that are deployed against Pakistan.

⁹ Senior Indian foreign policy observer, 2011.

portray China as a highly strategic-minded actor that can maintain a single-minded focus on long-term security goals, ignore dissenting voices, and marshal all of its resources toward achieving its end. By growing its defense economy, Beijing has established the logistics and transport infrastructure necessary to move its forces, if need be, from China's interior to the Indian border region, while also starting to build a blue-water navy to operate in the IOR. Likewise, they see China as effectively using its economic power to gradually build a network of security partners and near-allies on or near India's border that will support its presence in the region. Compared to what they see as China's long-range planning and mobilization, Indian analysts often see their own democratic national security system as "messy" and divided.¹⁰

Incentives to Limit Conflict

Indian and Chinese officials and analysts recognize that despite this list of tensions between them, they have strong incentives to keep the relationship stable. Both countries confront serious economic development and domestic stability issues at home, and both countries are trying to promote peaceful security environments that are not hostile to their rise in power. One Indian foreign affairs observer noted that "we will not be the ones to start a fire" with China "and we will go to great lengths to prevent it."¹¹ A Chinese diplomatic analyst asserted that the two governments are well aware of their areas of disagreement but have developed a comprehensive diplomatic infrastructure and a series of mechanisms to contain these tensions and maintain progress in the relationship. Through their diplomatic contacts, the two sides have developed "clear formulas and routines" for handling these issues.¹² The two sides have also demonstrated their ability for effective cooperation toward shared interests in international economic and environmental negotiations such as Doha and Copenhagen.

An important dilemma for China-India relations going forward will be whether China and India's efforts to promote cooperation can continue to grow and become politically self-sustaining in the face of the two countries' disputes and

¹⁰ This does not mean that Indian security analysts suffer from an authoritarian "envy" of China. Quite to the contrary, the Indian analysts interviewed for this project expressed terrific pride in the successes of India's democratic diversity, and noted that China does not appreciate the strengths of such a system. Several specifically pointed to the rapid rise in social protest in China as a sign of serious weakness and bottled-up resentment in that system.

¹¹ Senior Indian observer of Indian politics and foreign policy, 2011.

¹² Chinese diplomatic expert on South Asia, 2011.

mistrust of the other. India and China's rapidly growing trade and investment relationship, which many see as an important potential force for stability in their relationship, suggests that overcoming this mistrust will be difficult. Trade relations grew rapidly in the 1990s and 2000s, and these fueled increased employment in some sectors, while mobilizing interest groups with a stake in good overall relations. But China and India's economic relations have also been transformed into a new arena for tension, owing to India's rapidly growing deficit and its allegations that China is engaging in improper trade and investment practices. Whether economic ties can continue to promote momentum in the overall relationship will remain a major challenge for India and China going ahead.

This study now turns to most important issues in the India-China relationship, beginning with the issue that most of those specialists interviewed for this research judged to be the greatest source of tension in the relationship: the Pakistan factor.

China's Ties to Pakistan and their Impact on India-China Relations

Nowhere is the gap between Indian and Chinese evaluations of their relationship more evident than with regard to Pakistan. Indian officials and analysts interviewed for this project see strong Chinese support for Islamabad as the single greatest source of tension in Sino-Indian relations. Chinese interviewees, by contrast, hold seemingly mixed or contradictory views about the impact that Sino-Pakistani ties have on China's relations with India. They retain a strong orientation toward Pakistan, and explicitly note the strategic leverage with which they believe their relations with Pakistan provide them vis-à-vis India. At the same time, Chinese analysts and officials contend that Beijing has greatly moderated its relationship with Pakistan in the past decade in order to strike a much more even balance between Delhi and Islamabad. Overall, they do not regard Sino-Pakistani relations as nearly so great an obstacle to improved relations with India as Indian analysts do.

China's Perspective: Increasing Even-Handedness

Both China and Pakistan place great weight on the historical ties that have forged their close partnership.¹³ Speaking two decades after the Cold War, Chinese

¹³ See also *Exploring the China-Pakistan Relationship: A Roundtable Report*, CNA China Studies, MISC D0022883.A/1, June 2010.

analysts interviewed for this report believe that the seeds for strong China-Pakistan relations were sown beginning in 1959, when the Dalai Lama fled Tibet in China's far west and was given asylum in India. Soon after this, a series of border skirmishes culminated in the Sino-Indian War of October 1962.¹⁴ Thereafter, China and Pakistan shared common geopolitical concerns with respect to India that made the two natural partners. These concerns include territorial disputes in their shared borders with India; a history of hostility and confrontation with Delhi; and a powerful mutual interest in maneuvering to balance or contain India's power and influence. These conflicts involving India established the foundation for what China now labels its "all-weather friendship" with Islamabad.¹⁵

Chinese South and Central Asian security specialists report that even today, China's pro-Pakistan feelings continue to be heavily colored by recollections of the two countries' shared interests during the late Cold War period, from the end of the 1960s through the early 1990s. They emphasize the geostrategic relations among major powers during this period, when China saw Central Asia as divided into two camps: India and the Soviet Union in one, and Pakistan and China balancing with the United States in the other. These Chinese specialists contend that this memory continues to assure a strong "pro-Pakistan" orientation among the younger generation in China, and among Chinese analysts in the security sector in particular.¹⁶

In the view of the Chinese analysts interviewed for this project, China's good relations with Pakistan and Pakistani tensions with India continue to provide Beijing with a potentially effective source of leverage that it could exploit against Delhi. Despite the improvements in Sino-Indian relations over the past decade, some Chinese analysts still characterize Pakistan's geostrategic value to China in surprisingly blunt language. They assert that China could make effective use of Pakistani-Indian tensions as a trump card against Delhi in the event of another Sino-India border conflict, or if India were to threaten China's security interests

¹⁴ Senior Chinese think-tank experts on South Asia, 2011.

¹⁵ Senior Chinese think-tank experts on South Asia, 2011. The "all-weather friendship" is a term China uses in various joint public statements and speeches. Another common description they use is that their friendship is "higher than the Himalayas, deeper than the ocean." China's Ministry of Foreign Affairs, in its annual review volume *China's Foreign Affairs 2008* (Beijing, World Affairs Press, 2008), describes China and Pakistan as "close friendly neighbors" who have "established an all-weather friendship with cooperation in all fields" (pg. 228).

¹⁶ This point was made by multiple senior Chinese think-tank experts on South Asia and South Asian security, 2011.

near Malacca. Over the longer term, they see Pakistan as a key link in a potential set of land transport routes China one day hopes to forge from Xinjiang to the Indian Ocean that would permit China to circumvent possible challenges to its sea lines of communication (SLOCs).¹⁷ Were the India-Pakistan balance of power to tip much further toward Delhi's side and diminish Pakistan's leverage value to China, these analysts believe China would feel far less secure about the overall regional balance of power, and China-India relations would become considerably more tense as a result.¹⁸

But Chinese security analysts also contend that China has adopted a more nuanced approach toward both Pakistan and India in recent years, aimed at trying to minimize tensions and expand economic ties with India while also protecting China's political and strategic interests in Pakistan. These analysts judge that as a result of this policy shift, the Sino-Pakistani relationship is no longer the most negative element in India-China relations.¹⁹ They spotlight the following as examples of this shift in policy:

- **Chinese restraint in the 1999 Kargil conflict.** Chinese analysts report that Pakistan asked China both for political support and for military assistance against India. While not refusing Pakistan directly, China said that "it hoped its old friend Pakistan could resolve its problems peacefully with India through dialogue."²⁰
- **Balanced official visits.** In recent years China has orchestrated its official senior-level visits with Pakistan and with India, pairing them since at least 2005.²¹
- **Restrained official statements.** Beijing contends that it now injects more nuance than it traditionally did into its statements in support of Pakistan's sovereignty claims. This suggests that current statements are more

¹⁷ Senior Chinese think-tank expert on South Asia, 2011.

¹⁸ Senior Chinese think-tank expert on South Asia, 2011.

¹⁹ Senior Chinese think-tank experts on South Asia, 2011.

²⁰ Senior Chinese think-tank expert on South Asia, 2011.

²¹ Premier Wen Jiabao made his first official visit to Pakistan as premier from April 5 to 7, 2005, following it with visits to Bangladesh, Sri Lanka, and (on April 10) India. Following President Hu Jintao's first visit to India (the first by a Chinese president in 10 years) on November 20-23, 2006, he went to Pakistan on November 23. Premier Wen Jiabao's December 17-19 visit to Pakistan in 2010 followed his visit to India on December 15-16.

sensitive to Indian views on border disputes than earlier Chinese statements were.²²

Chinese analysts, moreover, see Pakistan's value for China as much more than just a strategic lever against India. They list the following as the three most important roles that Pakistan plays in its relations with China:²³

- Pakistan's help in providing frontier stability along its shared border with China
- Pakistan's service as a "Muslim bridge" and a protector and advocate for China's interests in the Islamic world
- Pakistan's role in providing economic benefits to China, including serving as an avenue for resources, energy security, and SLOC security.²⁴

But Chinese analysts recognize that unless Pakistan can restore internal stability, revive economic growth, and maintain its military strength, Beijing will not be able to count on Islamabad to provide these strategic benefits. They emphasize China's deep concerns about the threats that continued instability in Pakistan could pose for a range of Chinese interests there. These interests include the security of Pakistan's nuclear weapons, the potential for chaos, and the possible threat this instability could cause for Chinese citizens living there.²⁵ At the top of Beijing's list of concerns is the fear that a breakdown in social order in Pakistan could heighten the danger that Uighur terrorists will make greater use of Pakistan as a training base or refuge from which to launch attacks into China. The Chinese South Asia specialists interviewed for this study do not presently expect Pakistan to collapse in the near future, because they still retain faith in the country's strong military. But they voice fears that the Pakistani government has lost control over grassroots society, and they regard sectarianism—both in society and within the Pakistani military—as a real danger to domestic stability.

²² Such nuance can be found as early as the China-Pakistan Joint Declaration of November 2003 and as recently as the China-Pakistan Joint Statement of May 2011. Although these Chinese specialists did not mention military exercises as an example of a more nuanced policy, they might also have noted China's efforts to carry out military combined exercises with both India and Pakistan in the past five years.

²³ Senior Chinese think-tank experts on South Asia, 2011.

²⁴ Senior Chinese think-tank experts on South Asia, 2011.

²⁵ Senior Chinese think-tank experts on South Asia, 2011.

Notably, these Chinese analysts believe that these are concerns that India shares.²⁶

The growing military gap between India and Pakistan is the second major source of concern for the Chinese analysts interviewed for this project, who fear that this gap will disturb the regional balance of power.²⁷ In particular, Chinese analysts contend that India has adopted much more provocative and offense-oriented military doctrines than Delhi embraced in the past.²⁸ They fear that a further shift in the conventional balance of power between India and Pakistan, plus offense-oriented doctrines could upset regional stability by pressuring Pakistan to rely more heavily on nuclear weapons for its security.²⁹

India's Perspective: No Greater Source of Tension

Indian analysts interviewed for this study do not share China's view that Beijing has made major strides toward balancing its India-Pakistan relations or that the threat to India from the China-Pakistan relationship has significantly lessened.³⁰

²⁶ Chinese diplomatic expert on South Asia, 2011.

²⁷ Senior Chinese academic expert on South Asia, 2011.

²⁸ Senior Chinese academic expert on South Asia, 2011. Chinese analysts have noted with particular concern reports and discussion among Indian military specialists that would permit Indian forces to mobilize and carry out attack operations on the Pakistani border in a matter of days. This doctrine has come to be known as "Cold Start" among specialists and in the mass media (the Chinese term for this reported doctrine is *leng qidong* [冷启动]). The Indian military has officially denied that it has developed such a "Cold Start" doctrine. See "No 'Cold Start' doctrine, India tells US," *Indian Express*, September 9, 2010, at <http://www.indianexpress.com/news/no-cold-start-doctrine-india-tells-us/679273/>. For Chinese expressions of concern over this doctrine that do not accept the Indian military denials, see "India Prepares for Two Front War," *Global Times* (Beijing) online forum, March 6, 2010, forum.globaltimes.cn/forum/showthread.php?t=13767.

²⁹ Senior Chinese academic expert on South Asia, 2011.

³⁰ It is worth noting that Indian analysts do not, however, necessarily judge that China and Pakistan enjoy the kind of genuine alliance and warmth suggested by the phrase "all-weather friendship." Nor do they see this relationship as completely exempt from the influence of effective Indian diplomacy in dealing with China. One leading Indian security analyst has recently described the relationship as a marriage of convenience based on a convergence of mutual interests, contrary to the rhetoric of Beijing and Islamabad. "China wants to balance India and Pakistan has always wanted to have a political shield. The Sino-Pak axis can be partially explained on the grounds of trust deficit and security dilemma between India and China. However, the increasing Sino-Indian interaction has produced increased sensitivity on the Chinese side regarding the India concerns." Dr. R. N. Das of Delhi's Institute for Defence Studies

The widely held view in India is that by far the most emotional issues regarding China—those with the greatest traction in India’s political system—are those issues involving the China-Pakistan relationship.³¹ One leading Indian academic specialist on China and China-India relations assesses that among average Indians, the Pakistan issue resonates even more strongly than the India-China border issue.³²

Indian analysts identified several dimensions of the China-Pakistan relationship that they considered to be of particular diplomatic or security concern to India. These included China’s policy regarding Jammu and Kashmir, a number of diplomatic “balancing” moves actually designed to strengthen China-Pakistan ties, Chinese assistance to Pakistan’s infrastructure, and Chinese support for Pakistan’s nuclear program.³³

Jammu and Kashmir

Of greatest concern to the Indian analysts interviewed is China’s role in the disputed region of Jammu and Kashmir. Indian analysts and media have expressed concern over unconfirmed reports that large numbers of Chinese engineers have been undertaking hydrological projects, and building roads, bridges, and other types of infrastructure in the disputed border regions controlled by Pakistan but claimed by India.³⁴ One analyst cited media reports

and Analysis. “Pakistan as a Factor in Sino -Indian Relations,” IDSA Fellows Seminar, June 10, 2011, <http://www.idsa.in/event/PakistanasaFactorinSinoIndianRelations>.

³¹ This view was the overwhelming consensus of all the Indian security specialists interviewed for this study, but was voiced particularly strongly by a senior Indian observer of politics and foreign policy whose specialty was not China.

³² Senior Indian academic China specialist, 2011.

³³ Senior Indian observer of Indian politics and foreign policy, 2011.

³⁴ Senior Indian think-tank specialist on China, 2011; The article on this activity that was most widely noted among our Indian interlocutors was an opinion article by Selig S. Harrison, “China's Discreet Hold on Pakistan's Northern Borderlands,” *New York Times*, August 26, 2010, which is available online at <http://www.nytimes.com/2010/08/27/opinion/27iht-edharrison.html?pagewanted=print>. Harrison asserts that “reports from a variety of foreign intelligence sources, Pakistani journalists and Pakistani human rights workers reveal two important new developments in Gilgit-Baltistan: a simmering rebellion against Pakistani rule and the influx of an estimated 7,000 to 11,000 soldiers of the People’s Liberation Army. China wants a grip on the region to assure unfettered road and rail access to the Gulf through Pakistan. It takes 16 to 25 days for Chinese oil tankers to reach the Gulf. When high-speed rail and road links through Gilgit and Baltistan are completed, China will be able to transport cargo from Eastern China to the new Chinese-built Pakistani naval bases at Gwadar, Pasni and Ormara, just east of the Gulf, within 48 hours. Many of the PLA soldiers entering Gilgit-Baltistan are expected to



that infrastructure projects supposedly being done in the disputed territory are using exclusively Chinese workers for the digging and building, with no local Pakistani workers involved.³⁵ For this reason, some think tank analysts have expressed concern that China will effectively have control over these projects once they are finished.³⁶ Underlying these concerns is the long-term fear that through these infrastructure projects, China will have so established itself in Pakistani-controlled territory that it will effectively become a third party to the Kashmir dispute.³⁷

Indian observers charge that Chinese activity in the border regions, especially Pakistani-administered Kashmir, amounts to a *de facto* departure from one of China's more important diplomatic concessions to India—Beijing's 1980 position that the Kashmir dispute should be settled peacefully through bilateral negotiations between India and Pakistan.³⁸ Now, according to one analyst, China is effectively taking the

work on the railroad. Some are extending the Karakoram Highway, built to link China's Sinkiang [Xinjiang] Province with Pakistan. Others are working on dams, expressways and other projects. Mystery surrounds the construction of 22 tunnels in secret locations where Pakistanis are barred. Tunnels would be necessary for a projected gas pipeline from Iran to China that would cross the Himalayas through Gilgit. But they could also be used for missile storage sites. Until recently, the PLA construction crews lived in temporary encampments and went home after completing their assignments. Now they are building big residential enclaves clearly designed for a long-term presence."

³⁵ Discussions with Indian maritime security specialists, 2011.

³⁶ Discussions with Indian maritime security specialists, 2011.

³⁷ Senior Indian think-tank specialist on China, 2011.

³⁸ In a 1964 Joint Statement with Pakistan, Chinese Premier Zhou Enlai expressed support for the Kashmiri people's right of self-determination, a position close to Pakistan's preference for a

Pakistani side in the disputes by not consulting India on its activities there.³⁹ This analyst interpreted China's actions as reflecting Beijing's belief that Pakistan will never recover as a state, so China will have to take advantage of the current situation to consolidate its own position in the Kashmir region and in the South Asia region generally.⁴⁰

The Stapled Visa Dispute

The ongoing dispute among China, India, and Pakistan over the Jammu and Kashmir region recently flared up and dealt a blow to China-India military cooperation efforts as a result of the so-called "stapled visa" dispute.⁴¹ The incident was touched off in 2010 when China insisted that it could only issue a separate-page, "stapled" visa to Indian Lt. Gen. B. S. Jaswal, commander of India's Northern Command. Gen. Jaswal's command includes the disputed Jammu and Kashmir regions, and the general was preparing to attend a meeting in China. China had been issuing stapled visas to Indian citizens who reside in the disputed region since at least 2008. But in the words of one specialist on Indian diplomacy, "India said 'enough is enough'" when Beijing attempted to

plebiscite in the region. But in 1980 China's foreign minister moved much closer to India's preferences by calling for a just settlement in accordance with the relevant UN resolutions and with the 1972 Simla Agreement, the latter of which called for the resolution of the border dispute by peaceful means through bilateral negotiation. Sutter, *Chinese Foreign Relations*, 301. In official China-Pakistan Joint Statements dating back at least to 2003, China has made no reference to India-Pakistan territorial disputes as a bilateral issue. In the 2003 Joint Declaration, China noted that it respected Pakistan's territorial integrity and appreciated Pakistan's efforts peacefully to resolve outstanding issues with its neighbors. This wording had changed slightly in a 2011 Joint Statement, in which China said that Pakistan's territorial integrity "should be respected" and that Pakistan's efforts to promote peace "in South Asia should be recognized and supported." Joint Declaration between the People's Republic of China and the Islamic Republic of Pakistan on Directions of Bilateral Cooperation, signed November 4, 2003. Joint Statement of the People's Republic of China and the Islamic Republic of Pakistan, issued May 20, 2011.

³⁹ Senior Indian think-tank specialist on China, 2011.

⁴⁰ Senior Indian think-tank specialist on China, 2011.

⁴¹ "Ahead of PM's visit, China relaxes stapled visa policy for J&K natives," Press Trust of India, April 11, 2011, posted on the *Times of India* website, http://articles.timesofindia.indiatimes.com/2011-04-11/india/29406243_1_stapled-visas-cooperative-partnership-presence-of-chinese-troops; For an authoritative Chinese version of the story, see Li Xiaokun and Cui Haipei, "India, China end freeze in military exchanges," *China Daily*, June 21, 2011, at http://usa.chinadaily.com.cn/china/2011-06/21/content_12740867.htm. This section also relies upon interviews with a senior Indian political and foreign policy observer, 2011, and with a senior Indian think-tank specialist on China, 2011.

apply this procedure to a general of the Indian army, and Delhi broke off military-to-military ties.

Indian analysts are uncertain why China adopted the stapled-visa policy toward the Indian general in the first place. One knowledgeable specialist thought that perhaps China was trying to make a show of solidarity with Pakistan.⁴² The suspension lasted until April 2011, when China relented on issuing the stapled visas and a restoration of military-to-military ties was announced after a summit meeting on the sidelines of the BRICS⁴³ conference held in Sanya, Hainan.⁴⁴ Although the stapled-visa incident lasted only about eight months, it underscored the political power of the China-India-Pakistan tensions, especially their border disputes, to set back important mechanisms such as military-to-military ties, which are designed to ease India-China security relations.

Other Issues of Concern

Indian security analysts have expressed concern over a number of other dimensions of the China-Pakistan relationship. Among the most widely noted have been other Chinese efforts to help develop strategically significant infrastructure in Pakistan, such as China's reported assistance in rebuilding the Karakorum Highway, and China's past efforts to help Pakistan develop the port at Gwadar. Gwadar is almost always noted during discussions of China's so-called "string of pearls" strategy to establish ports or bases in the Indian Ocean (see below pp. 39-45). But Indian analysts single out Gwadar for special concern because, in the words of an experienced Indian foreign policy observer, "Gwadar is a Pakistan issue."⁴⁵ China's historic assistance to Pakistan's nuclear weapons program and its continued assistance to Pakistan's civilian nuclear energy program is another area of cooperation that remained a source of deep concern among some of the Indian security analysts interviewed for this study.⁴⁶

⁴² Senior Indian China specialist, 2011.

⁴³ E.g. Brazil, Russia, India, China, and South Africa.

⁴⁴ The solution that was reportedly reached was that India would send a new military delegation comprising officers from multiple commands in lieu of the all-Northern Command delegation that was originally to go, and China will issue the delegation standard visas. The Northern Command leader from the first delegation has now retired, but the new delegation is to be headed by another general from the Northern Command. Senior Indian China specialist, 2011.

⁴⁵ Experienced Indian observer of Indian politics and foreign policy, 2011.

⁴⁶ Senior Indian military affairs specialist, 2011. For a more detailed discussion of India's concerns about China's nuclear assistance to Pakistan, see Ch. Viyyanna Sastry, "Chashma Nuclear Power

Despite the emphasis placed on China's Pakistan relationship by Indian analysts interviewed for this study, these specialists do not appear to believe that Chinese support for Islamabad is unlimited. None of these specialists interviewed indicated that they believed, for example, that China would become involved militarily in the event of another war between India and Pakistan. They based this judgment on China's unwillingness to commit forces to Pakistan's aid during the 1972 war and the 1999 Kargil crisis. But these same analysts indicated that they do believe Pakistan would become involved in the event of a war between India and China, which would leave India dealing with a two-front struggle.⁴⁷

The China-India Border Dispute

Since 1988 China and India have made repeated efforts to resolve their land-border dispute, and experts on both sides affirm that these efforts have enhanced the stability of their relationship. Still, a resolution of the border issue has remained elusive, and border relations continue to be one of the most significant sources of tension and mistrust in the overall China-India relationship. Following two decades of success for China in resolving its other land-border disputes—including those with Russia and Vietnam, the other two powers with which it has fought border wars—the Sino-Indian



Plant-II Starts Operation,” Institute for Defence Studies and Analyses, May 4, 2011, http://www.idsa.in/idsacomments/ChashmaNuclearPowerPlantIIStartsOperation_cvsastry_04_0511.

⁴⁷ Senior Indian foreign policy specialists, 2011; Senior Indian military affairs specialist, 2011.

boundary is China's last major unresolved land border dispute.⁴⁸ Interestingly, every one of the Indian and Chinese security analysts interviewed on the issue for this study were very pessimistic about the chances of China and India achieving an agreement on the border in the foreseeable future.

With regard to the Sino-Indian border, China continues employing its often-used strategy of trying to stabilize relations with a neighbor by forestalling efforts to resolve a difficult boundary conflict while it pursues improved overall bilateral relations with that country and works to strengthen its overall strategic position—presumably to enhance its chances of gaining a better border deal sometime in the future.⁴⁹

But in the case of India, this strategy does not appear to be having the desired effect, and the border remains a major focus of mutual suspicion bordering on paranoia for both Beijing and Delhi. Neither China nor India perceives that the other is respecting the status quo on the border. Both countries persistently charge the other with infringing on their position and undermining the status quo by building up their position on the border—through infrastructure and housing construction, military reinforcements and

Chinese Strategy on Resolving Land Border Disputes

In his study of Chinese border security policy, *Strong Borders, Secure Nation*, Dr. Taylor Fravel of MIT points to China's handling of its border disputes with its neighbors over the past two decades as one of the most important and successful examples of China's efforts to improve relations with the countries on its periphery. China has successfully negotiated agreements on nearly all of its outstanding land border disputes, making significant concessions in some cases. In regions where China has been unwilling or unable to reach agreements, it has avoided unwanted concessions and put off resolution of the border issues indefinitely, waiting until such time as China is powerful enough to secure a more favorable resolution, and trying to prevent more serious damage to China's relations with its neighbors.

⁴⁸ In addition to India, China has an outstanding border dispute with Bhutan. The two countries reached an interim agreement in 2002. China and Russia concluded their border agreement in 2008.

⁴⁹ Two studies that stress China's tendency to forestall agreements are Michael Swaine and Ashley Tellis, *Interpreting China's Grand Strategy* (Santa Monica: RAND, 2000), esp. 129-133, and Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes* (Princeton: Princeton University Press, 2008).

logistics, and even reported reforms in military strategy that the other country regards as being potentially aggressive.

Chinese and Indian officials and analysts concede that talks over the past two decades have made little progress toward a border delineation agreement. Officials and analysts from both countries claim that assertive nationalistic voices in their own political systems make it hard for either government to make significant concessions to the other regarding national territory.⁵⁰

But Chinese and Indian analysts also agree that these diplomatic processes have made important progress in stabilizing the border region, by establishing confidence-building measures and new systems of communication and consultation that civilian officials and military officers can employ to avoid or resolve incidents on the border regions. “We have the largest real estate dispute in the world,” noted one Indian interviewee, “and two decades ago, there was shooting almost every day across the border...Now there has been nothing like that for the past 15 years.”⁵¹

Chinese Border Concerns

Former Chinese officials and think-tank analysts see the border issue as one of the two most serious issues in India-China relations. Former Chinese ambassador to India Cheng Ruisheng and other diplomatic experts rank the border issue and the Tibet issue as the two greatest sources of tension and strategic “mistrust” in China-India relations.⁵² A group of specialists on South Asia at a top Chinese

⁵⁰ This assertion may be true, though it is also possible that Delhi and/or Beijing may find it a convenient negotiating tactic to tell the other that domestic politics makes it impossible for them to make further concessions. The data available to this study do not permit us to reach a conclusion about which of these interpretations is correct.

⁵¹ Senior Indian observer of China-India relations, 2011.

⁵² Former ambassador Cheng Ruisheng notes that “the differences between China and India are on issues related to sovereignty and territorial integrity like Tibet and [the] boundary.” Cheng Ruisheng, “China-India Diplomatic Relations: Six Decades’ Experience and Inspiration,” *Foreign Affairs Journal* (Chinese People’s Institute of Foreign Affairs), issue 96 (Summer 2010): 59-70, esp. 63. Zhao Gancheng, the Director of South Asia Studies at the Shanghai Institute for International Studies, also notes the border issue and Tibet as the two most serious bilateral problems. “The boundary issue is such a serious problem that it cannot be circumvented, because it is rooted in both history and reality. That the Dalai Lama became an ‘honored guest’ of India (quotation from Indian prime minister Manmohan Singh) indicates that the historical burden is still holding back the good progress of bilateral relations.” Zhao Gancheng, “Renew China-India Partnership in a Changing World,” *Foreign Affairs Journal*, issue 96 (Summer 2010): 71-78.

think tank judge that the border issue has once again supplanted the Pakistani factor as the most negative element in China-India relations.⁵³

Chinese analysts charge that in recent years Indian officials have been increasing border tensions by promoting the construction of settlement areas and by stepping up deployments and modernization of Indian border defense forces.⁵⁴ China also charges that Prime Minister Singh and other Indian political leaders have stepped up visits to the border regions that the Chinese fear are stoking popular opinion against China. They also criticize the Indian government for encouraging the Dalai Lama to visit the disputed ethnic Tibetan areas repeatedly in recent years, as his visits risk stoking ethnic tension.⁵⁵

Chinese specialists on South Asia also primarily blame India's "inflexibility" for the lack of progress toward a border agreement.⁵⁶ In their view, the two countries need to be more "creative" and make concessions toward each other's position, although none of the Chinese interviewed noted any way in which they felt China should make concessions toward India's position.⁵⁷ These analysts believed that a major obstacle is that the two countries seek different types of solutions on the border. India, they felt, ultimately wants a package solution covering all the disputed regions, while China wants to go sector by sector, and might settle for some form of "east for west swap" in which it would make concessions in the eastern disputed sector and India would permit it to retain the western disputed sector.⁵⁸

Indian Border Concerns

Nearly every Indian observer interviewed for this project evaluated the border dispute as the second greatest source of tension in the India-China relationship, ranking behind only China's relations with Pakistan. Observers of India's broader political system indicated that border disputes and incursions were

⁵³ Chinese think-tanks specialists on South Asian affairs, 2011.

⁵⁴ Interview, 2011.

⁵⁵ Interview, 2011.

⁵⁶ Chinese South Asia specialist. One Chinese diplomatic analyst characterized the process right now as nothing more than "the sound of one hand clapping," with India making no proposals this analyst saw as useful.

⁵⁷ Chinese South Asia specialists, 2011.

⁵⁸ Chinese diplomatic analyst, 2011. At least two Chinese South Asian specialists, however, argued frankly that China would probably do best to simply delay resolution until it is in a more advantageous strategic position vis-à-vis India. Chinese South Asia specialists, 2011.

among the few “headline grabbing” China-India issues that attracted much attention in the Lok Sabha (Delhi’s lower house) and outside of India’s foreign affairs and defense community (the other issues were Pakistan and trade deficits).⁵⁹

Indian security analysts are very concerned that India’s long-term strategic position is being seriously eroded by Chinese incursions and China’s decade-long buildup of military forces, transport, and logistical support in regions near the border. Indian military officials believe this buildup would permit China to rapidly deploy many divisions to the border quickly in a crisis.⁶⁰ India has tracked between 200 and 250 PLA incursions along the border for several years in a row, according to one security analyst. This figure, if correct, represents a substantial increase from as recently as 2006, when fewer than 150 incursions were observed.⁶¹

The Indian Army reportedly provided a major briefing on these border concerns to Prime Minister Singh and his top security advisors in early May 2011. According to a press account of the briefing, the army reported that China could now “deploy and sustain more than half-a-million troops for over a month on the Line of Actual Control (LAC) in case of a high threat scenario with India.” The briefing reportedly concluded that “Beijing is expected to be increasingly assertive towards New Delhi and may put pressure on Arunachal Pradesh in [the] near future.” One Indian military specialist familiar with the briefing asserted that “our armies are now completely outflanked by China in Tibet...For China, the question of logistics [in the border region] is now solved. They can carry all that is needed.”⁶² Although the reported briefing figures of Chinese

⁵⁹ A group of Indian maritime security specialists interviewed for this project, who might be expected to play up the impact of China’s role in the IOR, also considered the border to be a more serious area of disagreement. Two former senior Indian security officials expressed exasperation at what they thought was an excessively weak response by India’s government to these infringements and incursions. Indian specialist on foreign affairs, 2011; Indian strategic specialist, 2011; Senior Indian military specialist, 2011.

⁶⁰ Indian strategic specialist, 2011; senior Indian military specialist, 2011; experienced Indian observer of politics and foreign policy, 2011.

⁶¹ Senior Indian think-tank specialist on China, 2011. According to this analyst, an “incursion” refers to PLA forces crossing over the McMahon line into the neutral areas.

⁶² Senior Indian military expert, 2011; Indian strategic specialist, 2011. Shishir Gupta, “Army warns PM: China can deploy 500,000 troops on LAC,” *Indian Express*, May 11, 2011, <http://www.indianexpress.com/news/army-warns-pm-china-can-deploy-500-000-troops-on-lac/788722/>. The report summarizes the Army briefing thus: “China now has the capability to deploy and sustain more than half-a-million troops for over a month on the Line of Actual

troops deployable to the border are difficult to accept at face value (they suggest that China would be willing to deploy nearly one-third of all its ground troops to the Indian border), they signal the level of concern that military officials feel about the state of the China-India balance of forces near the border region.⁶³

Indian specialists contended that their country was pursuing efforts to better establish its own border infrastructure opposite China, but that a response would require at least five or more years.⁶⁴ According to one specialist, India had recently reactivated seven forward landing bases near the border region. These included three larger bases that had been reopened in the east, and four other bases that had been opened in the western sector of the disputed region.⁶⁵

Weak Prospects for Progress

Neither Chinese nor Indian experts interviewed for this study saw much likelihood of progress on bilateral border negotiations in the foreseeable future. As former Chinese ambassador Cheng Ruisheng notes, “no major breakthrough has been achieved on the China-India boundary question,” and, according to the sources interviewed for this study, neither side expects a quick resolution.⁶⁶

Control (LAC) in case of a high threat scenario with India. Combining deft defence diplomacy with India’s neighbours and major infrastructure upgradation in restive Xinjiang and Tibet, Beijing is expected to be increasingly assertive towards New Delhi and may put pressure on Arunachal Pradesh in near future.” The presentation was reportedly given to Prime Minister Singh, Defence Minister Antony, National Security Adviser Menon, Principal Secretary Nair, and Defence Secretary Kumar. During this research trip, Indian security specialists repeatedly cited the figure that because of the Qinghai-Tibet railway and other logistical improvements, China could move “34 divisions” to the India-China border in the event of a campaign—an unrealistically high percentage of all of China’s ground forces, the movement of which would effectively leave large portions of China denuded of forces.

⁶³ Indian strategic specialist, 2011.

⁶⁴ Indian specialist on foreign affairs, 2011; See also Prasun K. Sengupta, “Special Report; Rotary-Winged Airpower,” New Delhi, *Force*, online edition in English, April 2011.

⁶⁵ Indian specialist on foreign affairs, 2011. For a much more pessimistic assessment of Indian progress, see Ajay Banerjee, “Road Projects Along China Border Behind Schedule; Some of Them Likely to Get Delayed by Around 3 Years,” *Tribune* (Chandigarh, India), online edition in English, April 5, 2011.

⁶⁶ Cheng Ruisheng, “China-India Diplomatic Relations,” 66. Interviewees sharing this pessimistic assessment of progress included four senior Chinese South Asian specialists, a Chinese diplomatic specialist, an Indian specialist on diplomacy, and a senior Indian academic specialist on China.

Both sides, however, have formally agreed to actively develop their relations in other arenas while still seeking a border agreement. Former ambassador Cheng also notes that “pending an ultimate settlement of the boundary question” both sides have agreed that they “should strictly respect and observe the line of actual control.”⁶⁷ But both sides have agreed that an important principal in their relationship is that the talks related to the border problem are valued in part as a mechanism for communications on the overall China-India relationship.⁶⁸

Officials and analysts from both India and China claimed that a major obstacle to border compromise in both countries is their political leaders’ concerns about a backlash from nationalistic public opinion. A Chinese diplomatic analyst asserted that because China had grown increasingly “open” with diverse social opinion, the role of nationalistic internet opinion was putting pressure on Chinese officials and was an important obstacle to progress on the border.⁶⁹ An Indian diplomatic specialist likewise felt that neither China nor India had yet been able to win support for significant compromises from its most skeptical constituencies at home.⁷⁰

Controlling Nationalistic Popular Sentiment in India and China (2010)

It is important that both sides should strengthen guidance and education of their peoples to control narrow nationalistic sentiment. It is understandable that both nations have [a] strong sentiment of nationalism due to the suffering of long-term oppression by imperialism and colonialism in history. However it is even more important under this circumstance to guard against the sentiment of narrow nationalism and defend the overall interest of maintaining friendly bilateral relations. Otherwise radical rhetoric and actions could cause unnecessary damage to bilateral relations.

*—Former PRC ambassador to India
Cheng Ruisheng (2010)*

⁶⁷ Cheng Ruisheng, “China-India Diplomatic Relations,” 66.

⁶⁸ Chinese diplomatic analyst and Indian foreign affairs specialist, 2011.

⁶⁹ Chinese South Asia specialist.

⁷⁰ Chinese South Asia specialist.

The Dalai Lama and the Tibetan Community in Exile

Beijing and Delhi have struggled to manage their tensions regarding Tibet since the Dalai Lama's flight to India following the 1959 Tibetan uprising, and the subsequent establishment of the Tibetan government in exile (TGIE) in Dharamsala. For Beijing, the Dalai Lama's presence in Dharamsala places beyond its control a religious figure and organization with unique power to motivate ethnic resistance within China. China has long pressured the Indian government not to permit the Tibetan community in exile to use India as a base to foment anti-China activities.

Both Chinese and Indian experts believe that in regard to the issue of Tibet, the Dalai Lama and his followers on both sides of the China-India border will become a greater source of tension for Delhi and Beijing in the years to come. Chinese diplomats and analysts regard the Tibetan issue as a somewhat more important issue in the bilateral relationship than Indians do. Most Indian analysts interviewed for this project rated the Tibetan issue as significantly less important for their country than either the Pakistan or border issues. Most important, none of these experts, Chinese or Indian, felt that the Tibetan dispute is important enough to either country to raise the risk of military confrontation.⁷¹

The Chinese government's sensitivity regarding India's recognition of Chinese sovereignty over Tibet, and India's policies toward the TGIE in Dharamsala and its Tibetan community, are also longstanding sources of tension between Beijing and Delhi. India has made important diplomatic concessions to China, such as recognizing that Tibet is an "autonomous region" and an inalienable part of the

The Dalai Lama: "Our Honored Guest"

Prime Minister Singh on official Indian government policy toward Tibet, and whether the Dalai Lama's trip to the largely Tibetan border region of Arunachal Pradesh would complicate Sino-Indian border relations:

"All I can say is that I explained to Premier Wen that the Dalai Lama is our honored guest; he is a religious leader; we do not allow the Tibetan refugees to indulge in political activities; and that as proof of that last year we took resolute action at the time of Olympics when there were reports that some Tibetan refugees might disrupt the process." (Source: Indian Consulate, Guangzhou, 2009)

⁷¹ One Indian strategic analyst noted that Tibet is too small an issue for war to break out between India and China, and there was no "civilizational" tie involved that was powerful enough to spark a war over this issue. Interview, 2011.

People's Republic of China."⁷² But despite public reiterations of this policy by Prime Minister Singh and others (see box), many Chinese experts allege that India is not living up to its commitments not to permit Tibetans in India to engage in anti-Chinese separatist political activities.⁷³

As a clear sign of the wide gap between Chinese and Indian views on India's handling of its Tibetan community, none of the Indian analysts interviewed for this project gave any credence to China's assertion that India needs to further restrain the activities of Tibetans in India. Several displayed contempt for China's viewpoint, arguing that India already keeps the most militant Tibetan groups on what one called "a tight leash." These analysts responded that China would simply have to accept that India's open policies toward refugees and permissive attitude toward protest are a fundamental part of its political system.⁷⁴

The present Dalai Lama's advanced age, and China's apparent plan to try to appoint its own successor when he passes away appears almost certain to increase tensions between Beijing and Delhi. In 2007 the Chinese government promulgated regulations that strengthen government authority over Tibetans who wish to recognize a person as the reincarnation of a deceased "living Buddha." Indian foreign policy analysts interpret China's passage of these regulations as a clear declaration by China that it intends to identify its own successor to the Dalai Lama in conflict with whatever successor is recognized by followers of the current Dalai Lama.⁷⁵ These analysts expect that Beijing's attempt to designate its own Dalai Lama will spur anger among India's Tibetan community. They also expect that the present Dalai Lama's demise will remove the main source of political control over the world's Tibetan expatriate

⁷² Cheng Ruisheng, "China-India Diplomatic Relations," 66.

⁷³ Senior Chinese specialist on South Asia, 2011; Chinese diplomatic specialist on South Asia, 2011.

⁷⁴ Indian strategic analyst, 2011; Senior Indian scholar of China, 2011.

⁷⁵ Senior Indian foreign policy specialist, 2011; Indian analyst of Chinese politics, 2011; Indian foreign policy analyst, 2011. The 2007 directive requires Tibetan Buddhist living buddhas or their followers to seek and obtain government approval prior to reincarnating or recognizing a reincarnation. See the following: People's Republic of China, State Administration for Religious Affairs, Order Number Five [2007] "Management Measures for the Reincarnation of Living Buddhas in Tibetan Buddhism," July 18, 2007. The original Chinese text and an English translation may be obtained at the website of the U.S. Congressional-Executive Commission on China, at <http://www.cecc.gov/pages/virtualAcad/index.phpd?showsingle=98772>. For the CECC's analysis of the measures, see "New Legal Measures Assert Unprecedented Control Over Tibetan Buddhist Reincarnation," CECC website, <http://www.cecc.gov/pages/virtualAcad/index.phpd?showsingle=98716>.

community—in particular, those who are residents of India. China, for its part, is likely to respond to any protest activities by the Tibetan exile community in India by insisting that India live up to its long-standing commitments to China not to permit Tibetan groups there to engage in activities hostile to the Chinese government.

Delhi's policy community has been quietly exploring the potential impact of the Dalai Lama's passing and Tibetan issues on Sino-Indian relations for at least four years, according to several Indian security analysts. At least three of the policy research think tanks and academic institutions visited during this project have undertaken major policy research reports on these issues for the Indian government over the past four years (although it is not clear whether all of these were initially commissioned by the Indian government or whether some were initiated by the research institutions themselves).

Indian specialists at a leading national security research institute undertook a report for the Ministry of External Affairs, "Tibet and India's Security," that concludes that the succession to the Dalai Lama will create more security concerns for India than it will for China.⁷⁶ The report also concludes that one of the most critical "unknowns" will be how much control the present Dalai Lama's successors will be able to exercise over young Tibetan exiles. Will those exiles pursue violence, or perhaps even team up with Uyghur extremist groups to launch attacks on China from third countries?⁷⁷ Indian analysts interviewed for this project were largely in consensus that the Indian government would inevitably have to rein in some activities by these groups following the Dalai Lama's passing. But they did not regard it as a major challenge to Indian government policy toward either China or the Tibetans.

Economic Relations: From Cooperation to New Source of Tension?

Analysts who have been optimistic about the prospects for stable or improving Chinese-Indian security relations often point to the rapidly expanding trade and investment relationship between the two countries as a key force for

⁷⁶ Indian think-tank analyst, 2011.

⁷⁷ Indian think-tank analyst, 2011.

cooperation.⁷⁸ According the UN data, between 2000 and 2009, two-way trade between China and India rose from US\$ 2.4 billion to nearly US\$ 41 billion.⁷⁹

But since about 2005, India's trade deficit with China has grown substantially to upward of US\$ 20 billion per year, generating a new source of tension between the two countries (figure 1). These trade patterns have suggested a need to question early scholarly arguments that China and India had particularly complementary economies that showed great prospects for expansion.⁸⁰ Analysts in each state tend to attribute the rising Indian trade deficit to the shortcomings of the other country, thereby adding to the potential for disagreement in the relationship.⁸¹ For India, a major challenge has been the trade framework that has emerged, in which India exports iron ore and other raw materials and unfinished goods in exchange for Chinese manufactured goods.⁸² One Indian analyst condemned this as a "colonial" trade structure. According to one expert, iron ore presently accounts for more than US\$ 12 billion per year of India's exports to China, although this expert expects that to fall to US\$ 7-8 billion per year.⁸³ Cotton makes up another US\$ 2-3 billion of India's exports to China.

⁷⁸ For example, the potential for rapid growth in economic relations to overcome the security-related suspicions in the India-China relationship is a central theme of Amardeep Athwal, *China-India Relations: Contemporary Dynamics* (Routledge Contemporary South Asia Series, 2008), Kindle edition; see especially chapter 3.

⁷⁹ United Nations, *2004 International Trade Statistics Yearbook and 2009 International Trade Statistics*, available at <http://comtrade.un.org>.

⁸⁰ Huang Yasheng, "The Myth of Economic Complementarity in Sino-Indian Relations," *Journal of International Affairs* 64, no. 2 (Spring/Summer 2011): 111-124.

⁸¹ Indian trade specialist, 2011; Indian think-tank analyst of China, 2011; Chinese think-tank specialists on South Asia, 2011.

⁸² Athwal, *China-India Relations*, chapter 3; Huang Yasheng, "The Myth of Economic Complementarity," 114.

⁸³ Indian trade specialist, 2011.

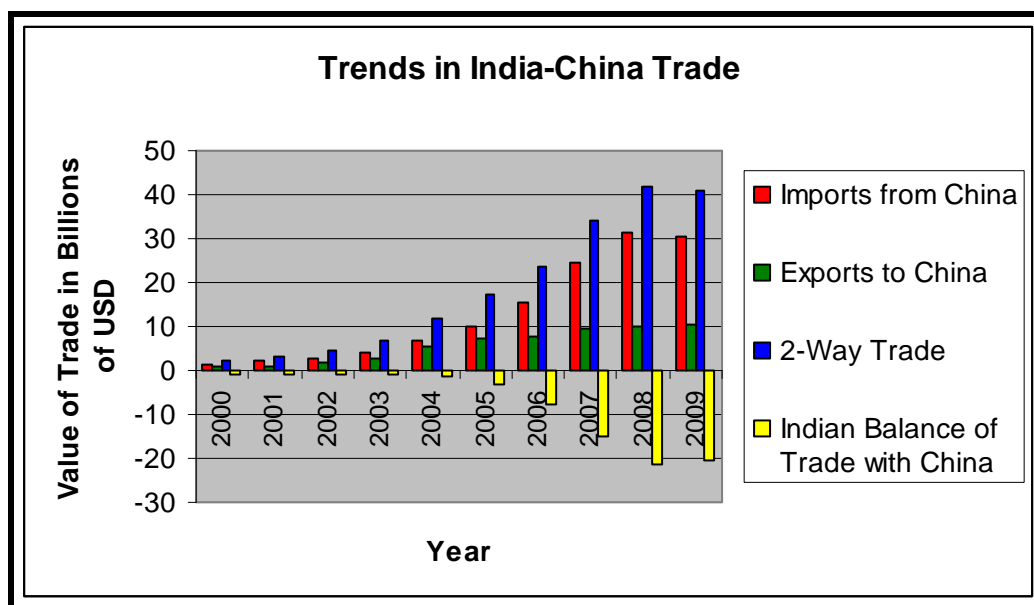


Figure 1: Trends in Indian Trade with China, 2000-2009

Source: *UN International Trade Statistics Yearbook*⁸⁴

Chinese analysts largely blamed the deficit on Indian manufacturers' failure to produce goods that can satisfy the Indian or Chinese markets, and some Chinese specialists interviewed for this project invoked blunt ethnic stereotypes of Indian workers with lazy, slipshod work habits. India, for its part, has raised significant complaints about market access with China regarding the information technology market, as well as pharmaceuticals, agricultural products, and engineering products.⁸⁵

Going forward, some of the most important research questions about Chinese-Indian relations will focus on whether the rapidly growing economic relationship will, on balance, be more of a source of tension or one of stability between the two countries. At present, Indian and Chinese specialists hold a

⁸⁴ We are grateful to our CNA colleague Ms. Catherine Welch for her assistance with research and presentation on the UN trade data.

⁸⁵ Indian trade specialist, 2011; See also Zhao Gancheng, "Renew China-India Partnership," 73 ("...even economic and trade relations between the countries—the most positive aspect of bilateral relations between the two countries—have witnessed some incidents"). Cheng Ruisheng, "China-India Diplomatic Relations," 68. Cheng states that "the economic gap between China and India has been expanding. In recent years, both China and India have achieved quite fast economic growth, but China enjoys a higher speed, widening the economic gap between the two countries. Since India has long had a strong psychology of competition with China, concerns over this situation continue to exist." (See page 68.)

wide range of views on this issue. One Indian foreign policy expert noted the political importance of the trade issue—characterizing it as one of the few issues in the India-China relationship that could capture the attention of the broader Indian political elite and citizenry.⁸⁶ Another Indian expert characterized economic interdependence as the strongest potential source of stability between the two countries.⁸⁷ But one senior Chinese analyst expressed disappointment that the rapid increase in economic interdependence has not yet translated into increased “strategic trust” between Beijing and Delhi.⁸⁸ Some Indian observers argued that the trade relationship has already established interest groups in that country with a strong stake in good ties with China, including the power generation and mining industries.⁸⁹ Still other interviewees saw trade tensions as increasingly eroding popular and political support for the relationship. The wide spectrum of views voiced on the role of trade underscores the importance of further research on this evolving issue.⁹⁰

Military Buildup and China’s Increasing Presence in the IOR

Although Beijing and Delhi do not anticipate military conflict between their countries, either at sea or along their land borders, in the foreseeable future, each is carefully monitoring the military modernization and increased activities of the other.⁹¹ Experts on each side expressed serious concerns about some of the growing capabilities and long-term intentions of the other. Both Indian and Chinese experts expressed concerns that the other country’s military modernization might cause an important deterioration in at least some aspects of their own country’s strategic situation within the next decade. Chinese logistical buildup on the Sino-Indian-Pakistani border regions and India’s strategic force buildup were the issues attracting the greatest concern. But China’s increased diplomatic and commercial activity and military presence in the IOR, and India’s response, are issues that bear watching.

⁸⁶ Senior Indian observer of Indian politics and foreign policy, 2011.

⁸⁷ Senior Indian think-tank specialist on China, 2011.

⁸⁸ Senior Chinese foreign policy specialist, 2011.

⁸⁹ Senior Indian observer of Indian politics and foreign policy, 2011.

⁹⁰ Senior Indian scholar of China, 2011.

⁹¹ Several of the Indian and Chinese specialists interviewed for this project noted that their countries did not foresee the likelihood of tensions in China-India relations degenerating to the level of hostilities in the foreseeable future.

Chinese Concerns Over India's Military Buildup

As Chinese civilian specialists have examined India's military buildup over the past decade, they have expressed the most concern over India's increasing strategic nuclear strike capability, primarily its land-based missiles, and the next-most concern over its efforts to develop its own nuclear missile submarines.⁹² Several PLA analysts whose writings on the Indian military were examined for this study have focused their concern on what they see as its expansionist intentions and offense-oriented doctrinal development.⁹³

The Chinese civilian specialists interviewed for this project concurred that the aspect of India's military modernization that most concerned China was India's efforts to develop its strategic nuclear strike capability, in particular, its land-based nuclear missile force.⁹⁴ These scholars all agreed that India's land-based missiles posed the greatest and most accurate potential counter-value threat to China's cities.⁹⁵ They also noted that India's most recent generation of missiles were designed to be able to reach any part of Chinese territory, which they interpreted as a sign that India was working to expand the number of Chinese cities it could hold at risk.⁹⁶ One Chinese analyst noted China's concern that India's earlier-generation missiles could attack cities in the country's west and

⁹² Three interviewees particular stressed this point: Senior Chinese think-tank expert on South Asia, 2011; Senior Chinese academic expert on South Asia, 2011; Senior Chinese think-tank expert on South Asia, 2011.

⁹³ PLA analyses that stress this view of Indian intentions and strategy include the following: E Aijun, ed. *Research on the Indian Army* (Yinjun Yanjiu; 印军研究), (Beijing: National Defense University Press, 2009); Zhang Wei, *Maritime National Security* (Guojia Haishang Anquan; 国家海上安全), (Beijing, Hai Chao Chubanshe, 2008); Academy of Military Science, *World Military Yearbook, 2008* (Shijie Junshi Nianjian 2008; 世界军事年鉴 2008), (Beijing, Jiefangjun Chubanshe, 2008), 179-182; Zhang Hui, *Air Force and Air Fight* (Hangkongbing yu kongzhan; 航空兵与空战), (Beijing, Hangkong Gongye Chubanshe, 2007); Liu Yonglu (刘永路), *Foreign Countries' Operational Command of Aircraft Carriers*, (Waiguo hangkong mujian zuozhan zhihui; 外国航空母舰作战指挥), (Beijing, Junshi kexue chubanshe, 2007); Li Tiemin, ed., *China Military Encyclopaedia, Second Edition, Naval Strategy* (Zhongguo junshi baike quanshu [di er ban: Haijun zhanlue]; 中国军事百科全书, 第二版: 海军战略) (Beijing, Zhongguo da baike quanshu chubanshe, 2007).

⁹⁴ Senior Chinese think-tank expert on South Asia, 2011; senior Chinese academic expert on South Asia, 2011; senior Chinese think-tank expert on South Asia, 2011.

⁹⁵ None of the Chinese specialists interviewed for this project mentioned any concern about an Indian counterforce threat.

⁹⁶ Senior Chinese academic expert on South Asia, 2011.

northwest—mentioning Wuhan, Urumqi, Lanzhou, and Chengdu by name—and added that their newest missiles will be able to reach Beijing and even the cities in China’s northeast.⁹⁷

Beyond the actual military capabilities of these missiles, Chinese analysts expressed deeper concern that India, in their view, has been actively publicizing the threat these missiles could pose to China. They contended that every time India has tested a new nuclear weapon or a new missile, dating all the way back to India’s initial nuclear test in 1998, the press and politicians in Delhi have issued reports and statements emphasizing that China was the potential threat against which these missiles were being developed.⁹⁸ One specialist noted that even without these explicit statements, the range of the missiles would make India’s intent against China clear enough—India does not need missiles of this range to strike its primary adversary, Pakistan. But Delhi’s public statements clearly irked many Chinese experts. As one noted, “The United States, China, and even the former Soviet Union in the old days—when we test weapons, we don’t make statements like this. Only India does this.”⁹⁹

Chinese civilian security specialists differed in their levels of concern over India’s efforts to develop a submarine-launched ballistic missile (SLBM) threat. Two Chinese specialists on India expressed a level of concern over these efforts that was almost on a par with their concerns over India’s land-based missile threat.¹⁰⁰ But another Chinese South Asia specialist with expertise in nuclear weapons argued that India will face a number of complex challenges in trying to develop a

⁹⁷ Senior Chinese think-tank expert on South Asia, 2011.

⁹⁸ On India’s emphasis of China as a motivation for its nuclear weapons development and China’s reaction, see Sutter, *Chinese Foreign Relations*, 300; Senior Chinese academic expert on South Asia, 2011.

⁹⁹ Senior Chinese think-tank expert on South Asia, 2011. Examples of the sort of press taunting by the Indian media do exist. A June 3, 2011, article in the *Times of India* reporting India’s plans to test the 5,000-kilometer Agni V intercontinental ballistic missile (ICBM) by year’s end opened by alluding to the missile’s nickname—the “China killer”—and noting the missile’s capacity to reach the northeastern-most reaches of China. See http://articles.economictimes.indiatimes.com/2011-06-03/news/29617212_1_agni-v-intercept-enemy-missiles-advanced-air-defence?. One Indian strategic specialist, upon being told that the Chinese believe India’s entire long-range nuclear missile program is being developed with China in mind, simply replied, “Well, they’re right.” Interview, 2011.

¹⁰⁰ Senior Chinese think-tank experts on South Asia, 2011.

genuine SLBM deterrent—so at least for the time being, China need not be very deeply concerned.¹⁰¹

Chinese analysts expressed more modest concern about India's recent reported ASAT test. According to one specialist, an aspect of the test that particularly concerned China was that India reported it was testing a "MIRV-ed" ASAT capability, by which this specialist meant that India was testing weapons designed to attack and destroy five or more satellites.¹⁰² These Chinese experts were considerably less concerned about India's reported efforts to develop ballistic missile defense capabilities.¹⁰³

Over the past six years Chinese military analysts have published numerous analyses of Indian military modernization and strategy that portray India as an avowedly expansionistic and hegemonic rising power with an increasingly offense-oriented military doctrine. These studies contend that India is driven by a historical sense of itself as the imperial heir to both the Moghul and British empires and thus seeks dominance throughout much of Asia and the IOR.¹⁰⁴ Some published PLA analyses of India's land and air power contend that these Indian forces have carefully studied the Gulf War, the Iraq War, and other recent campaigns, and developed an offense-oriented doctrine emphasizing rapid mobilization and joint air-land strikes. Some of these Chinese analyses focus on India's efforts to develop a doctrine for rapid mobilization and attack for confronting Pakistan (dubbed "Cold Start" in Indian media), but they also

¹⁰¹ Senior Chinese academic expert on South Asia, 2011.

¹⁰² Senior Chinese academic expert on South Asia, 2011. In another example of this concern, China's official *People's Daily* in August 2011 posted an article on the Indian Space Research Organization's efforts to expand India's military satellite system under the title "India's military satellite plan aims to counter China?" along with a poll of its readers on this subject. Despite the choice of title, the article contained no evidence that India's plans were directed against China. <http://www.peopleforum.cn/viewthread.php?tid=43249&extra=page%3D3>.

¹⁰³ Senior Chinese academic expert on South Asia, 2011.

¹⁰⁴ E Aijun (鄂爱军), ed., *Research on the Indian Army*, 29-33; Zhang Wei, *Maritime National Security* (*Guojia Haishang Anquan*; 国家海上安全), (Beijing, Hai Chao Chubanshe, 2008), 294-301. Shanghai Institute for International Studies specialist Zhao Ganchang ("Renew China-India Partnership" [2011]) cites a recently declassified November 18, 1950, memo to the cabinet by Jawaharlal Nehru that predicted that two such large countries as China and India living in close proximity would inevitably be inclined toward geopolitical expansion.

contend that India has adopted a similar doctrine in preparation for a future possible border war with China.¹⁰⁵

India's Concerns over China's Military Buildup

With respect to China's military buildup, the Indian security specialists interviewed for this project were primarily concerned with long-term issues—in particular, China's economic capacity to support a much more rapid military modernization and buildup than India can sustain. They were also concerned about the long-term possibility of China developing more aggressive and expansionist strategic intentions, as well as the prospect of future rivalry or even conflict between the two countries. These specialists were not nearly as concerned about the threat of a direct military confrontation with China in the near future. This balance of relatively sanguine short-term views with longer-range concern has also been reflected in the recent public statements of senior Indian officials, including Defence Minister Antony, who said in February 2011 that India should not be “unduly” concerned about China's military modernization, but should carry out a “comprehensive review” of its defense preparedness while remaining “vigilant at all times.”¹⁰⁶ Most of these interviewees appeared to take as a given that the future bilateral relationship would be characterized by intense strategic, economic, and diplomatic competition, both bilaterally and regionally.¹⁰⁷

No aspect of China's military buildup posed a more prominent concern for the Indian specialists we interviewed than China's military and logistical improvements along the two countries' shared border—in particular, the recently reported activity in Pakistani-administered Kashmir. One senior military specialist expressed concern about a PLA exercise the preceding year in which China reportedly transported an entire division across regions of China. This specialist highlighted this exercise as an example of China developing

¹⁰⁵ Zhang Hui, *Air Force and Air Fight* (*Hangkongbing yu kongzhan*; 航空兵与空战), (Beijing: Hangkong Gongye Chubanshe, 2007), page 385, asserts that “since the Cold War, India's Air Forces have carried out a guiding operational thought of active offense, and they believe that ‘the basic goal of war is to annihilate the enemy's armed forces, and destroy the enemy's will to fight.’” See also E Aijun (鄂爱军), ed., *Research on the Indian Army*, especially pages 29-33, for an analysis of Indian military strategy for confronting China.

¹⁰⁶ See the speech by Defence Minister Shri A. K. Antony, “Presidential Address at the 13th Asian Security Conference,” February 16, 2011, full text reprinted on the IDSA website, http://www.idsa.in/keyspeeches/DefenceMinisterAKAntony_13ASC. See also text box above.

¹⁰⁷ Senior Indian think-tank specialist on China, 2011.

capabilities that could be applicable in the India-China border region. He also wondered what specific application China had in mind when doing these transport exercises, whether it might also be for use against Vietnam, or the Malacca Strait, or elsewhere.¹⁰⁸

Finally, one Indian security analyst also expressed concern that China's improvements in all areas of information warfare pose an increasing threat to India. Since 2007, when China undertook an anti-satellite (ASAT) test, Indian specialists believe they have witnessed increasingly clear signs that China is preparing to interfere with the intelligence satellites of its prospective adversaries, steal intelligence from them, and penetrate their military computer systems.¹⁰⁹ He noted that in 2010 a computer system at the Defence Research and Development Organization (DRDO) under the Ministry of National Defence—India's equivalent of DARPA—was hacked and information was stolen. This analyst and other Indian security specialists believe that China was likely responsible.¹¹⁰

Chinese Concerns Over Indian Ambitions in the IOR

PLA naval power analysts have also portrayed India as a rapidly rising naval power with ambitions to dominate the entire Indian Ocean region. A 2007 PLA study of foreign countries' aircraft carrier operations summarized the main thrust of India's security and military policy as threefold:

- To establish its role as the hegemon over South Asia (*chengba nanya*; 称霸南亚)
- To control (*kongzhi*; 控制) the Indian Ocean
- To become a first-level (*yi liu*; 一流) world military power.¹¹¹

¹⁰⁸ Discussions with Indian maritime security specialists, 2011.

¹⁰⁹ Senior Indian think-tank specialist on China, 2011.

¹¹⁰ Senior Indian think-tank specialist on China, 2011. India's Defence Research and Development Organisation reportedly does not confirm or deny attempts to hack its computers. An Indian information technology industry publication reported in October 2010 that DRDO is establishing two software development centers in Bangalore and New Delhi, which have been tasked with developing more-secure operating systems. K.C. Krishnades, "India Greenlights Secure OS Project," *TechOnline India*, October 14, 2010, at http://www.eetindia.co.in/ART_8800623105_1800001_NT_4c51ea54.HTM.

¹¹¹ Liu Yonglu (刘永路), *Foreign Countries' Operational Command of Aircraft Carriers*, (*Waiguo hangkong mujian zuozhan zhihui*; 外国航空母舰作战指挥), (Beijing: Junshi kexue chubanshe, 2007),

This characterization of India's maritime goals has been echoed by other PLA naval analysts, who see India's maritime power ambitions expanding along with its naval power.¹¹² These analysts believe that, in order to achieve these goals, India has emphasized tapping into its rapidly growing high-tech economy to help support military modernization—in particular, the development of its naval power.¹¹³

A senior PLAN analyst, writing in 2008, elaborated on this analysis, claiming that India's navy desired to dominate the entire IOR from Suez and the Cape of Good Hope to the Malacca Strait. This specialist went further, to allege that India has long desired to expand its naval influence beyond the Malacca Strait into the South China Sea and East Asia. Toward this end, this analyst argues that the September 11, 2001, attacks and the subsequent war against terror were a godsend for India, as the many joint anti-terror operations conducted in Southeast Asia subsequently provided the Indian Navy with a pretext to establish a more regular presence in the region.¹¹⁴

The Chinese civilian security specialists interviewed for this study generally did not go as far as these PLA analyses. They did not feel that China needed to be seriously worried about India establishing a significant naval presence in the South China Sea, and felt that even if this contingency arose, China could handle this challenge (one pointedly noted that China had “countermeasures” it could call upon to deal with India in the SCS). At the same time, every Chinese expert interviewed for this study did concur with the broad impression that India is

section on India, 96-101; Zhang Wei, *Maritime National Security* (*Guojia Haishang Anquan*; 国家海上安全), (Beijing: Hai chao chubanshe, 2008), 294-301.

¹¹² A 2007 military encyclopedia published by the PLA's Command Academy states: “Since the 1990s, as India's national power and naval power have strengthened, India was already dissatisfied with obtaining control of the sea (*zhi hai quan*; 制海权) in the northern Indian Ocean, and it clearly put forward that it wanted to establish a modernized distance seas fleet (*yuanyang jiandui*), in order to control the Indian Ocean, and realize its objective of the Indian Ocean being ‘India's ocean.’ This was also one national strategic goal of India's will in the 21st Century to ‘Proclaim itself hegemon of the Indian Ocean and walk among the first ranks of world military powers.’” Li Tiemin, ed., *China Military Encyclopaedia, Second Edition, Naval Strategy* (*Zhongguo junshi baike quanshu* (*di er ban*: *Haijun zhanlue*), (*Zhongguo da baike quanshu chubanshe*, 2007), 252-253.

¹¹³ Liu Yonglu (刘永路), *Foreign Countries' Operational Command of Aircraft Carriers* (*Waiguo hangkong mujian zuozhan zhihui*; 外国航空母舰作战指挥), (Beijing: Junshi kexue chubanshe, 2007), section on India, 96-101; see also Zhang Wei, *Maritime National Security* (*Guojia Haishang Anquan*; 国家海上安全), (Beijing, Hai Chao Chubanshe, 2008), pp. 294-301.

¹¹⁴ Zhang Wei, *Maritime National Security*, pp. 294-301.

seeking naval hegemony in the Indian Ocean Region, and every one of them voluntarily invoked the widely used Chinese claim that “India believes that the Indian Ocean is ‘India’s Ocean.’”

Indian Concerns over Chinese Maritime Ambitions in the IOR

China’s growing presence and activity in the IOR currently ranks somewhat behind its military buildup along the land border as a security concern for the Indian civilian and military security specialists interviewed for this study. This was even true among some maritime security specialists, who might be expected to show greater concern about the IOR. But nearly all of those interviewed for this project believe that the maritime competition between the two countries will increase significantly in the decades to come. A critical question, therefore, was how quickly and how strongly China would assert its position in the IOR. As one Indian analyst noted, even though China does not yet have well-developed capabilities in the IOR, it is necessary that India focus on China’s strategic intentions rather than just its capabilities. At present, India is concerned with how to deal with a future time when China regional naval capabilities will be far greater.¹¹⁵

With these long-term concerns in mind, Indian maritime security analysts have identified several key challenges they believe China would face in developing its presence in the IOR. They also listed the following actions and force structure decisions as the clearest indicators of China’s future intentions in the IOR. Pursuit of these would suggest to India that China was undertaking a major naval buildup and trying to establish a long-term military presence in the region.¹¹⁶

- *Nuclear attack submarines:* One specialist emphasized that it would be crucial for China to build and deploy significant numbers of additional nuclear attack submarines (SSNs) if it is to realize a major presence in the region. This is primarily because of their range; they are, in the words of another expert, the “longest-legged ship today.” China’s Kilo-class submarines are for use much nearer

¹¹⁵ Discussions with Indian maritime security specialists, 2011. For a published analysis of the PLAN’s future in the IOR by one of India’s most respected observers of the PLAN, see Kamlesh Kumar Agnihotri, “Strategic Direction of the PLA Navy: Capability and Intent,” *Maritime Affairs* (Delhi, National Maritime Foundation), vol. 6, no. 1 (Summer 2010): 71-97.

¹¹⁶ Discussions with Indian maritime security specialists, 2011.

to home.¹¹⁷ But these specialists were not unanimous in their evaluation of how important the deployment of large numbers of SSNs would be as an indicator of Chinese intentions in the IOR.¹¹⁸ One interviewee who was more skeptical of the value of SSNs noted that the Chinese strategy in the IOR must be “primarily defensive” in the sense that China is the one with a lot to lose in the IOR, owing to the vulnerability of its SLOCs. Nuclear submarines, in this specialist’s view, do little to help solve that potential problem, and China may not judge them to be a critical element to an IOR strategy.¹¹⁹

- *Tankers:* Indian experts emphasized China’s likely need to construct and deploy large numbers of additional tankers to support sustained presence and extended range. These sources noted that a large-scale buildup would be a fairly clear indicator of intentions regarding the Indian Ocean. They did not, however, believe that an accelerated buildup would present a significant challenge for China’s shipbuilding industry.¹²⁰
- *Hospital ships and/or amphibious assault ships:* In the eyes of these specialists, acceleration in construction of these vessels would constitute an important indicator that China is constructing the kind of expanding expeditionary force needed for a major presence in the IOR. These specialists also asserted that according to their information, China has an additional five amphibious assault ships in the pipeline. One Indian naval power analyst also noted that hospital ships would be another potential indicator of Chinese intention, because, he felt, they could also double as crew carriers.¹²¹

¹¹⁷ Discussions with Indian maritime security specialists, 2011.

¹¹⁸ Senior Indian military affairs specialist, 2011.

¹¹⁹ Senior Indian military affairs specialist, 2011.

¹²⁰ Discussions with Indian maritime security specialists, 2011; Senior Indian military affairs specialist, 2011.

¹²¹ Discussions with Indian maritime security specialists, 2011. On China’s development of hospital ships, see Peter Mackenzie, *The Evolution and Deployment of China’s Hospital Ships* (Alexandria, VA: CNA, forthcoming, September 2011).

- *Tactical air cover and basing:* These interviewees believed that supplying air cover to its naval forces in the future is one of China's greatest challenges to operations in the IOR, and that China's efforts to find a solution could be one the most critical indicators of its intentions in the region. One analyst stated that the way in which China attempts to solve the tactical air cover problem could be a "defining moment" and key indicator.¹²² The Chinese, he noted, could not just "allow their fleet to float around in the Indian Ocean without tactical air cover."¹²³

Indian naval analysts believe China's acquisition of one or two aircraft carriers in the next decade will be part of its effort to deal with these air cover challenges.¹²⁴ One military specialist argued that perhaps the most dangerous scenario from India's perspective would be if China were to try to solve the tactical air cover problem for its navy by using "an air force solution" rather than a naval strategy—that is, by trying to arrange locations or bases in the region where it could position its air force to support the navy in the IOR. These analysts stressed Myanmar as one of the most likely locations if China were to pursue such a strategy.¹²⁵

The centrality of basing and air cover as challenges for China and as indicators of its long-term intentions in the IOR naturally led many Indian security specialists to address India's current assessments of China's efforts to develop its presence in the region. This inevitably raised the widely debated issue of China's so-called "string of pearls" strategy of port development along the Indian Ocean littoral.

¹²² Discussions with Indian maritime security specialists, 2011; senior Indian military affairs specialist, 2011.

¹²³ Senior Indian military affairs specialist, 2011.

¹²⁴ Commander Kamlesh Agnihotri, for example, states that preparations for constructing an aircraft carrier are "well under way" and "China could build a carrier by 2015 and two by 2020." Agnihotri, "Strategic Direction of the PLA Navy," 88. Discussions with Indian maritime security specialists, 2011.

¹²⁵ Discussions with Indian maritime security specialists, 2011. One military analyst relayed uncorroborated reports that the Chinese considered the airfields in Myanmar to be available to China during a crisis. As evidence to support his view, this analyst asserted that the number of air bases constructed in Myanmar is far in excess of what Myanmar could need for its own military.

The “String of Pearls” Issue and Beyond

India’s Evolving Concerns

Since 2004, Indian analysts concerned with security in the Indian Ocean have focused on the thesis that China is helping other countries develop and construct numerous IOR ports and related infrastructure for the purpose of gaining access to these facilities for commercial and eventually military purposes. This thesis, which is directed at China’s activities in Gwadar, Chittagong, Hambantota, Myanmar, Thailand, and elsewhere in the IOR, has been dubbed the “string of pearls” strategy. One of the Indian Navy’s top specialists on Chinese military affairs summarized the strategy in this way:

It is believed that the PLAN intends to develop strategic ties with countries in the IOR—Sri Lanka, Myanmar, Bangladesh, Maldives, and Pakistan—and the Persian Gulf to allow China to extend its blue water capability, which is currently curtailed due to the absence of supporting air cover. By 2020, China is likely to have up to two aircraft carriers in place, making operations in its greater periphery feasible. This may lead to the PLAN conducting and controlling its operations from one or possibly more ‘pearls’ in its ‘String of Pearls’ in the IOR. These bases will possibly provide the PLAN with direct access to the IOR.¹²⁶

Eight years after the “string of pearls” thesis first started stirring debate, nearly all of the Indian security specialists interviewed for this project are still deeply concerned about China’s intentions for these ports, and feel certain that Beijing is trying to expand its influence in these countries and ports in ways that are inimical to India’s interests.

But following years of research and discussion, Indian analysts now hold a surprisingly broad range of views about the likelihood that China could use these commercial facilities to help support a military presence in the IOR.¹²⁷ Some contend that China’s long-term aims for these ports must be strategic, because, they believe, these ports for the most part do not have great economic value. For these analysts, Gwadar is a prime example of a port with little

¹²⁶ K. K. Agnihotri, “Strategic Direction of the PLA Navy,” 88-89.

¹²⁷ Virtually all of the Indian security specialists interviewed for this project expressed some level of concern over the potential military value these ports might someday have for China. The level of this concern, however, varied greatly from one interviewee to another.

commercial value which they suspect China is pursuing primarily for military purposes. They stress, for example, that a terrific amount of infrastructure work would be required to link Gwadar's effectively to the rest of Pakistan and Central Asia in order to realize its potential as a commercial hub and energy transport center.¹²⁸

Other Indian specialists, however, have arrived at an opposite view, and regard Gwadar, Hambantota, and Chittagong as "purely commercial operations." They largely dismiss the serious military potential of these ports—including Gwadar—arguing that in the event of a crisis, Indian air or naval forces could easily bottle up or close down these facilities.¹²⁹ In our interviews, at least one analyst argued that these ports in fact posed a greater commercial threat than a military one, because they were the harbinger of greater Chinese economic dominance in the Pakistan-Central Asia corridor.¹³⁰

India's Response: A "Necklace of Diamonds"

Indian officials and analysts who take the strategic value of China's "string of pearls" activities much more seriously have pushed the government to respond by developing or expanding its own network of ports and bases in the region. They contend that this is essential if India is not only to provide for its own maritime security but also to contribute to the security of other IOR littoral states. Indian analysts variously label this counterstrategy "our own string of pearls" or India's "necklace of diamonds." Two senior Indian analysts asserted that in the eight years since concern over the so-called "string of pearls" first emerged, India has made terrific diplomatic and economic progress in developing such a rival network in the IOR.¹³¹ One veteran Indian observer of foreign policy pointed to Indian efforts to expand port facilities and other presence in the Maldives, the Seychelles, Madagascar, Mozambique, Djibouti, and Mauritius. In this

¹²⁸ Senior Indian observer of Indian politics and foreign policy, 2011; discussions with Indian maritime security specialists, 2011; senior Indian think-tank specialist on China, 2011; senior Indian military affairs specialist, 2011; Indian economic and security analyst, 2011.

¹²⁹ One of the most interesting and forceful criticisms of the military value of these "pearl" ports was from a mid-career Indian naval officer, 2011. Among the other interviewees who argued that these ports had limited strategic were a retired senior military officer and a leading Indian academic specialist on China. Interview dates, 2011.

¹³⁰ Indian economic and security analyst, 2011.

¹³¹ Senior Indian observer of foreign affairs, 2011; Senior Indian military affairs specialist, 2011; See also C. Raja Mohan, "India's new role in the Indian Ocean" *Seminar* (web edition), Number 617, January 2011, http://www.india-seminar.com/2011/617/617_c_raja_mohan.htm.

interviewee's words, this diplomatic and commercial activity marked the beginnings of a 'Big Indian Ocean' strategy" for India.¹³²

Outgoing Indian foreign secretary (and incoming ambassador to the United States) Nirupama Rao promoted this strategy in a July 2011 speech to India's National Maritime Foundation—the Indian Navy's chief think tank. Secretary Rao pointedly noted the rise in port-building and naval activity in the IOR by unnamed countries from outside of the region. Rao noted that for several years now, the potential economic and security repercussions of these trends has become a source of concern for Indian strategic analysts. In response, the foreign secretary called for India to significantly step up its own role as infrastructure builders and strengthen its naval cooperation in the region:¹³³

The development of port and harbour infrastructure...on our coastline in order to improve our global trade turnover, cannot be divorced from the steps being taken in our neighbourhood to develop ports or modernize them with foreign assistance. The economic and security repercussions of such moves have been the subject of intense scrutiny and analysis by our strategic and security experts. The naval outreach and capability of a number of countries has been growing in the Indian Ocean region. Our own capability to be infrastructure builders in our immediate neighbourhood and region needs to be enhanced significantly. Our naval cooperation in the neighbourhood needs further stepping up.¹³⁴

¹³² Indian specialist on foreign and defense policy, 2011.

¹³³ Speech by Foreign Secretary Nirupama Rao, "Maritime Dimensions of India's Foreign Policy" organized by the National Maritime Foundation at India Habitat Centre, July 28, 2011. Text available the Ministry of External Affairs website, <http://meaindia.nic.in/mystart.php?id=530117885>, accessed on August 10, 2011.

¹³⁴ Ibid.

Lacking unambiguous indicators of China's long-term intentions regarding these ports, Indian analysts believe that India has little choice but to carefully monitor potential warning signs that China is expanding its commercial presence in these facilities and then gradually transforming them to more military-oriented activities. As one foreign affairs specialist put it, the fact that China is making these port development and management agreements with sovereign governments limits what India can do. Two Indian security analysts report that India is drawing on the experience of specialists from Japan and other countries who are familiar

with the history of China's maritime activities in East and Southeast Asia, in looking for signposts that China is expanding its role in these areas.¹³⁵

**On India Pursuing its Own
"Necklace of Diamonds" in the IOR**

"Having long rejected 'foreign bases' in the Indian Ocean...the proposition that China is building a 'string of pearls' along vital sea lines of communication in the Indian Ocean has had the merit of forcing open a whole new debate. Some analysts outside India are beginning to talk, somewhat prematurely, of a 'necklace of diamonds' emerging in India's own plans for power projection..."

— C. Raja Mohan
Journalist and Strategic Commentator
(2011)

China Struggles to Counter the "String of Pearls" Thesis

China's security analysts are very familiar with the "string of pearls" thesis. They accurately summarize it as a theory that China is trying to expand its influence in the IOR through the construction of dual-use ports all along the Indian Ocean littoral. They also recognize the ambitions that Indian and Western analysts impute to China: building relationships with states in the region, acquiring a number of intelligence facilities for monitoring regional naval activities, and ultimately gaining naval basing rights in these countries.¹³⁶

¹³⁵ Senior Indian military affairs specialist, 2011; senior Indian think-tank specialist on China, 2011.

¹³⁶ Chinese authors do not always spotlight the same activities and localities when describing Western views of the "string of pearls strategy." But generally, when Chinese authors summarize the Western portrayal of China's IOR intentions, they note the following "pearls":

- **Pakistan:** China's involvement in a large-scale construction project at the Gwadar port facility and naval base, and its construction of a nearby surveillance facility for the monitoring of naval activities in the Arabian Sea;

Most Chinese analysts interviewed for this project contend that India, the United States, and other countries active in the IOR have little legitimate reason to be concerned about an expanding Chinese presence there. Chinese foreign affairs publications portray the “string of pearls” strategy¹³⁷ as a false picture of China’s strategic intentions and a rising “Chinese naval threat” initially promoted primarily by U.S., rather than Indian, officials and amplified by Western media.¹³⁸ They argue that U.S. officials put forward this theory for three reasons: the United States does not want to see a strong Chinese naval power; U.S. military officials are seeking an excuse for their own naval expansion; and the United States fears that China will threaten U.S. geostrategic interests in the IOR.¹³⁹ Chinese specialists on South Asia similarly blame India’s military – especially the navy – for hawking the “string of pearls” thesis to justify its expansion and budgets.¹⁴⁰ Chinese writings attack the “string of pearls” strategy as a case of “classic cold war thinking.” Dismissive though Chinese analysts are of the thesis,

-
- **Burma:** China’s construction of a naval base, and its construction of an island surveillance facility for the monitoring of naval activities in the Bay of Bengal and Malacca Strait;
 - **Bangladesh:** China’s construction of container port facilities at the Chittagong port facility, and its strengthening of relations with the Bangladesh government;
 - **Cambodia:** China’s plan to construct a rail-line from Cambodia to the South of China;
 - **Thailand:** China’s interest in underwriting the Kra Isthmus Canal project and related facilities to circumvent the Malacca Strait; and
 - **The South China Sea:** China’s strengthening of its military facilities and deployments in the region.

¹³⁷ Chinese analysts translate the phrase “string of pearls strategy” rather literally, as *zhenzhu lian zhanlue* (珍珠链战略)

¹³⁸ Specifically, Chinese sources trace the concept of the “string of pearls” to a 2004 Booz Allen Hamilton report commissioned by the Defense Department’s Office of Net Assessment. Wang Jinyan, “Media Abroad Intensively Speculating on ‘China’s String of Pearls Strategy’” (*Jingwai Meiti Jimi Chaozuo “Zhongguo Zhenzhu Lian Zhanlue”*; 境外媒体密集炒作中国 “珍珠链战略”), *Xinhua*, June 2, 2006, at http://news.xinhuanet.com/globe/2009-06/02/content_11475680.htm.

¹³⁹ Ibid. See also Liu Qing, “An Analysis of the Said ‘String of Pearls Strategy’” (“*Zhenzhu Lian Zhanlue*” *Zhishuo Bianxi*; “珍珠链战略”之辨析), *Contemporary International Relations* (*Xiandai Guoji Guanxi*; 现代国际关系), No. 3, 2010, p. 11.

¹⁴⁰ This point was made especially by a senior Chinese academic expert on South Asia, 2011.

they freely concede that this effort to paint China in a negative light via the “string of pearls” theory has succeeded to a great extent.¹⁴¹

In response to the “string of pearls” thesis, Chinese analysts cite official Chinese government statements denying that China’s port and rail construction projects in the IOR are motivated by any military or strategic intentions. They also reiterate that China has a longstanding official policy of not building military bases abroad, and assert that military facilities abroad would be of little use because China’s national strategic defense policy is and always has been based on a structure of “Chinese area defense” (*Zhongguo Quyu Fangyu*; 中国区域防御).¹⁴²

Some Chinese analysts have argued that China’s interests in developing the port of Gwadar are limited to improving transportation links between western China and the south and central Asian regions for trade. One author writes that “China and Pakistan are in the midst of transforming transportation links...as soon as they are finished they will greatly facilitate the transportation between China, Iran, Central Asia and other places.”¹⁴³

One Chinese think-tank specialist on South Asia offered several reasons why India had no legitimate grounds for complaint about Chinese presence in the region. First, China’s involvement in the Horn of Africa anti-piracy mission was being carried out under UN authorization. He also noted that this deployment has been a very small one. Moreover, China’s deployment has not involved the establishment of any bases. At the same time, this specialist recognized the sensitivity that the IOR basing issue held in the India-China relationship, and he conceded that if China were to acquire any permanent military or civilian bases in the region, it would certainly touch off considerable anger in India.¹⁴⁴ This Chinese analyst’s viewpoint, however, is rare. Chinese analysts whose views

¹⁴¹ They do note that U.S. officials are cautious about using the phrase “string of pearls” publicly, and that they omit it from official documents, such as the annual DoD report on China’s military power and the quadrennial defense review reports. Liu Qing, “An Analysis of the Said ‘String of Pearls Strategy’” (“Zhenzhu Lian Zhanlue” Zhishuo Bianxi; “珍珠链战略”之说辨析), *Contemporary International Relations* (*Xiandai Guoji Guanxi*; 现代国际关系), no. 3 (2010): 9.

¹⁴² Ibid.

¹⁴³ Zeng Xiangyu, “The Gwadar Port: Implications for International Security” (*Bajisitan Guadaergang dui Guoji Anquan Taishi de Yingxiang*; 巴基斯坦瓜达尔港对国际安全态势的影响), *South Asian Studies Quarterly*, no. 2, no. 137, 2009: 34.

¹⁴⁴ Senior Chinese think-tank expert on South Asia, 2011.

were surveyed for this project rarely addressed the clear potential military implications of China's extensive port-building activities in the region.

Although Chinese analysts dismiss the validity of the "string of pearls" thesis, they also concede that the theory has had a powerful and negative influence on Indian strategic thought and behavior, and China must develop diplomatic responses to undercut its influence. Chinese writings generally argue that this theory has poisoned the thinking of Indian political and defense officials and strategic analysts. The result has been a serious negative impact on China's regional security environment and its relations with countries in the IOR. For example, one Chinese specialist contends that the Indian response to the theory has been to rapidly step up policies aimed at strengthening India's own maritime security, with the result that "these measures, based on a thoroughly mistaken understanding (of China's IOR policy), constitute a great threat against China." China, this analyst argues, must pursue stronger and more assertive maritime diplomacy aimed at "disinfecting" the theory's impact and reviving strategic cooperation with India and other Indian Ocean states.¹⁴⁵

Conclusions and Selected Implications for United States Interests

In the key issues that make up their security relationship, India and China confront each other as antagonists. But neither views the other strategically as its primary antagonist; each is distracted by another antagonist that is much more powerful (the United States), or that poses threats that are much more imminent (Pakistan). Add to this the fact that both Beijing and Delhi govern enormous, fractious societies and rapidly growing economies, and it is clear why both countries feel a powerful incentive to try to contain the tensions in their relationship. In the slightly more than one decade since India upset the relationship by testing its first nuclear weapon, India and China have pursued a number of initiatives aimed at cooling their relationship—in particular, their expanded economic ties, and their mechanisms for improving the relations on their borders. But they have collaborated as wary partners, as is demonstrated by the tendency for some of the recent economic, diplomatic, or security mechanisms that the two countries have pursued to improve their ties to show less success in recent years. None of these experts are optimistic about a

¹⁴⁵ Liu Qing, "The 'String of Pearls Strategy': India's Perception and Response" (*"Zhenzhu Lian Zhanlue": Yindu de Renzhi yu Yingdui*; "珍珠链战略": 印度的认知与应对), *South Asian Studies Quarterly*, no. 2, no. 141, 2010: 21.

breakthrough in border talks any time soon. Military-to-military contacts found themselves being undermined by China's visa rules for Jammu and Kashmir. And economic ties, which just five years ago seemed to some analysts a promising vehicle for improving Sino-Indian relations, are becoming an additional source of tension in their own right.

The Chinese and Indian specialists who were interviewed, or whose writings were reviewed for this study, generally demonstrated a belief that many of the issues which have been major sources of tension in their relationship have become more tense in recent years. Both China and India are concerned about their strategic position on their mutual border, and each accuses the other of trying to strengthen its own position. Beijing and Delhi have very different assessments of the other most tense issue in their relationship—their respective ties with Pakistan. While China sees progress as a result of its more even-handed diplomacy, India is far less persuaded. The eventual passage of the Dalai Lama will create a very delicate situation for both countries as well. And, while neither Delhi nor Beijing appears to feel immediately threatened by the other's military buildup or modernization, each feels that its own long-term strategic position is being challenged or eroded by certain aspects of that buildup or modernization.

Since the end of the Cold War, the impact of China-India relations on United States security interests has changed dramatically in terms of magnitude, reach, and structure.¹⁴⁶ China-India relations are no longer a secondary bilateral relationship whose impact is focused on diplomatic and security issues or on their border region. The level of tension or cooperation between Beijing and Delhi will increasingly be felt across the arc of maritime regions of the IOR and the South China Sea, and in nearly all of our most important US security relationships in Asia, including Japan, Taiwan, Vietnam, Thailand, Singapore, Australia, Afghanistan, Iran, and of course Pakistan. Beijing and Delhi's relationship has moved from a sideshow to the center stage in US security diplomacy. The May 2010 United States National Security Strategy spotlighted the growing impact of this relationship by stressing repeatedly the critical

¹⁴⁶ Several drivers have transformed the importance and impact of the relationship for the US and its other Asian security partners. These include China and India's rise as export-oriented economic powers and global information technology centers, their widening diplomatic influence and their rapid military modernization (in particular their naval expansion and India's acquisition of nuclear weapons), as well as the rise in global importance of the Central Asian region after September 11, 2001.

importance of broadening our security cooperation on areas of mutual interest with three “21st Century Centers of Influence” – Russia, India, and China.¹⁴⁷

For the United States, there many potential opportunities and challenges implicit in this study’s central assessment—that tensions between Beijing and Delhi are constant or rising, but that both countries have powerful strategic incentives to limit those tensions and enhance cooperation in key sectors. These opportunities and challenges for the U.S. are too numerous and complex to explore in depth here. But this study closes by highlighting just three implications for United States interests that can help identify an agenda for future policy research.

For United States security diplomacy in Asia, one challenge is how to effectively deal with India and China’s diplomatic competition to attract economic and security partners among the smaller Asian powers on each other’s periphery. The U.S. may need to revisit its diplomatic, economic and security strategies to shape and account for the results of India and China’s competition.

India and China’s military relations present a second challenge. US analysts responsible for monitoring China’s military modernization and its implications for our allies and partners must strengthen our assessments of the impact of China-India security tensions on China’s security strategy and military development.¹⁴⁸ As this study points out, the level of mistrust between the two countries and the status of India-China-Pakistan relations are helping to shape Beijing’s military and strategic orientation. We cannot say whether or not Delhi security analysts are correct in their fevered assessments of China’s build-up near the Indian border or its future maritime ambitions. But a critical question for further research will be how China chooses to balance its strategic attention,

¹⁴⁷ United States *National Security Strategy*, 2010. “The United States is part of a dynamic international environment, in which different nations are exerting greater influence, and advancing our interests will require expanding spheres of cooperation around the world. Certain bilateral relationships—such as U.S. relations with China, India, and Russia—will be critical to building broader cooperation on areas of mutual interest.”

¹⁴⁸ As the US *National Security Strategy*, 2010 notes: “We will continue to pursue a positive, constructive, and comprehensive relationship with China. We welcome a China that takes on a responsible leadership role in working with the United States and the international community to advance priorities like economic recovery, confronting climate change, and nonproliferation. We will monitor China’s military modernization program and prepare accordingly to ensure that U.S. interests and allies, regionally and globally, are not negatively affected. More broadly, we will encourage China to make choices that contribute to peace, security, and prosperity as its influence rises.”

resources, and force structure between its “main strategic direction” (its eastern coast and Taiwan) and its “secondary strategic direction” (the south and west), which includes India. China’s long-term ambitions and concerns in the IOR and its assessments of its maritime security relations with India may also shape its security choices – an issue of critical importance for the United States.

A third challenge for the United States is how to adopt the most effective and judicious pace for promoting our bilateral strategic relationships with both India and China. The United States will have to take into account the impact that the U.S.-India and U.S.-China relationships are likely to have on China’s relationship with India, and on the need for all three countries to cooperate in the IOR. Chinese analysts interviewed for this study already interpret almost any US-Indian cooperation as potentially harmful to China’s interests. The Indian analysts interviewed for this project all supported some degree of closer security cooperation with the US, but some also indicated a fear that the United States might harm Indian interests by trying to use India to leverage China. Analysts in all three countries recognize that the three countries have genuine shared security interests in the Indian Ocean Region—countering piracy and terrorism were often mentioned—that could only be advanced through enhanced trilateral trust and more effective cooperation among their governments and militaries.



Cover Photo Credit: REUTERS/David Gray

Visiting Indian Prime Minister Manmohan Singh reviews honour guard at Great Hall of People in Beijing

